

## 8. INDUSTRY OVERVIEW AND OUTLOOK

### 8.1 OVERVIEW OF THE MALAYSIAN ECONOMY

The Malaysia real GDP growth rate in the year 2002, was 4.2%. The economy performance at the fourth quarter was at a sustainable rate of 5.6%, following growth of 5.8% in the third quarter, 3.9% in the second quarter and 1.1% in the first quarter. This encouraging performance was resulted from a stronger private spending, backed by the lower interest rates, higher income, greater access to credits by consumers and favourable commodity prices. The year-end bonus payments contributed to the higher disposable income in the fourth quarter of 2002, while rural consumption was supported by the sharp increase in the agricultural commodity prices. There was also an expansion in the public sector with lower deficits performance. In the fourth quarter, inflation was lower at 1.8% (3Q 2002: 2.1%) and the labour market was at a stable position with unemployment rate of 4%. The results also showed positive performance in all sectors.

There was a continual recovery in the investment as the gross fixed capital formation strengthened by 9.8% (3Q 2002: 2.6%) with higher loan disbursement to the manufacturing and construction sectors and increase in the imports of capital goods. Higher development expenditure by the Federal Government on housing and public utilities coupled with the steps by the private sector to upgrade their equipments and some capacity expansion activities have also contributed to the recovery of the investment position. Inflows of funds for investment increased in the fourth quarter, with gross inflows of FDI amounted to RM3.9 billion and net inflows of RM0.4 billion. Exports have also showed continual recovery with an annual growth of 6% and larger trade surplus of RM14.8 billion (3Q 2002: RM13.5 billion).

*(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2002, Bank Negara Malaysia's Press Release, 26 February 2003)*

**Table 2 : Gross Domestic Product (GDP)**

	Growth (%)					
	1998	1999	2000	2001	2002	2003
GDP in constant 1987 prices	-7.5	5.8	8.3	2.4	4.3	6.7

Source : Economic Report 2002/2003, Ministry of Finance

Inflation remained low and stable in the first seven months of the year with Consumer Price Index ("CPI") at 1.8% (January – July 2001 : 1.5%). Price pressures were seen mainly in transport and communication following the upward tariff rebalancing for domestic telephone calls in March and marginal price increase in diesel, petrol and liquefied petroleum gas ("LPG") in May. For the second half of the year, the stronger recovery in domestic demand is expected to exert mild pressure on prices, resulting in inflation increasing marginally higher but still low at around 2% for the whole year.

**Table 3 : Malaysia Consumer Price Index (CPI)**

	Growth (%)		
	2000	2001	2002
CPI (2000 =100)	1.4	1.5	1.8

Source : Department of Statistics

This encouraging trend of price and inflation shows that the country is continuing its efforts in stabilising the economy to ensure that consumers will continue to enjoy purchasing of goods and maximise their purchasing power, which translates to further rising of demand in consumer goods.

*(Source: Independent Market Research Report by Messrs. Taylor Nelson Sofres)*

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**8. INDUSTRY OVERVIEW AND OUTLOOK (cont'd)**

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**8.2 OUTLOOK OF THE MALAYSIAN ECONOMY**

With the mild recovery intact in 2002 and expected to gather momentum in 2003, the world economy is projected to register output growth of 3.7% with trade expanding at 6.6%. The US is forecast to chart a stronger GDP growth of 2.6%, while the euro area is expected to further improve by 2.9%. Japan, which has shown further signs of bottoming out, has entered into a recovery mode and is projected to grow by 1.1% in 2003.

The Malaysian economy, with the stronger macroeconomic fundamentals already in place and, complemented by more resilient corporate and financial sectors, is now poised to benefit from the much-improved global economic environment projected for 2003. Output expansion is anticipated in all sectors of the economy, with GDP envisaged to chalk 6%-6.5%, arising from a broader based economy with growth emanating from a more pronounced role of a revitalised and dynamic private sector.

*(Source: Economic Report 2002/2003, Ministry of Finance)*

The growth in the year 2003 will be depending on the global economy situation. However, positive growth is still expected with a modest world economic growth, some recovery in the global electronics industry, firm commodity exports prices and stronger expansion in the intra-regional trade. Increase in the imports of intermediate goods is indicative of sustained export orders into first-half of 2003. With all these optimistic factors and strong domestic demand, private sector will be able to contribute in the improvement of the economy growth again. Economy growth will also be supported by a continual increase in the consumer confidence, while the strong banking sector provides stable foundation to adsorb any unforeseen instability in the financial markets.

*(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2002, Bank Negara Malaysia's Press Release, 26 February 2003)*

**8.3 THE SOCIO-ECONOMIC TREND**

Malaysia's growth of population has been steady for the past 10 years (1991-2000) averaging at 2.6% a year. It is seen that the rate of population continued to slow down with the declining fertility rate as the country progressed towards developed nation status.

The median age of the population in 2000 was 23.9 years and in 2005 the median age is projected to be 23.5 years indicating that Malaysia continues to have a young population age structure.

With respect to urbanisation, it was observed that the proportion of urban population had increased to 62.0% in census 2000 from 50.7% in 1991. This will continue to increase at a projected rate of 3.8% per year until 2005. This shows that migration has increased significantly in the last 10 years.

**8. INDUSTRY OVERVIEW AND OUTLOOK (cont'd)****Population Size 1995 – 2005 (million people)**

	1995	2001	2005	Average Growth 1995-2000 (%)	Annual Rate 2000-2005 (%)
Total Population	20.7	23.3	26.0	2.4	2.3
Citizens	19.7	22.0	24.7	2.3	2.3
Non Citizens	1.0	1.2	1.4	3.2	2.6
Age Structure					
0-14	7.3	7.7	8.2	1.2	1.1
15-64	12.7	14.6	16.7	2.8	2.8
65 and above	0.7	0.9	1.6	2.8	2.8
Median Age (years)	22.8	23.9	23.5	-	-

Source : Eight Malaysian Plan 2001-2005

On income distribution, overall improvement in this area from 1995 to date, i.e. increase of an average of 5.2% a year. Improvement will continue in line with the Government's aspiration in aligning the income imbalance especially between income groups. With the expected high economic growth between 2000 – 2005, the middle income group is expected to increase in size and share of income. As part of a major long-term income distribution objective, the nation will create a bigger and more prosperous middle-income in addition to increasing income of the lower income group.

This shows that the Malaysian population is becoming more urbanised, younger in age structure as well as becoming more affluent. Therefore, Malaysian consumers are expected to be more demanding and discerning towards purchasing goods.

(Source: Independent Market Research Report by Messrs. Taylor Nelson Sofres)

**8.4 OUTLOOK OF THE MANUFACTURING SECTOR IN MALAYSIA**

Signs of a turnaround in the manufacturing sector have become more visible in the second quarter of 2002. After experiencing 11 months of consecutive decline, output of manufacturing sector has improved from -11% recorded in the fourth quarter of 2001 to bounce back with three straight months of positive growth since April 2002. A steady recovery of the sector is anticipated for the rest of the year, on account of a revival in external demand and sustained growth in domestic consumption.

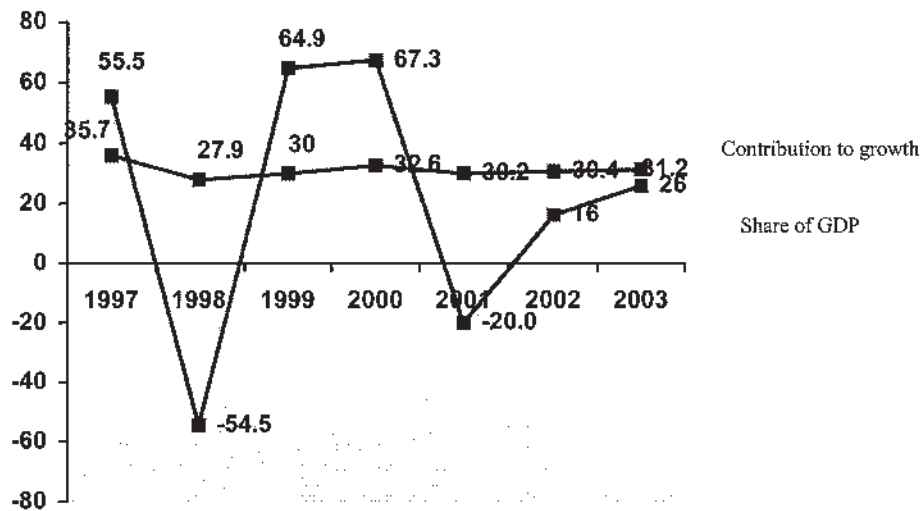
The external outlook has turned positive with the slump in the electronics industry showing signs of bottoming out. There was a sharp turnaround in the domestic electrical and electronics industry which recorded a significant growth of 13.3% in June compared to -1.8% in March.

This leads to a more positive outlook for next year's growth. In addition, output of manufacturing sector improved gradually since February, led by increasing orders for semiconductors and other electronic goods. The momentum is expected to accelerate with improved performance in the second half of the year, supported by gradual increase in the final demand from overseas markets, particularly the Asian Pacific region. The revival of the domestic semiconductor and electronic components sub-sectors have also benefitted supporting industries such as plastics, chemicals and fabricated metal and machinery. Value added, in the manufacturing sector therefore, recorded a growth of 1.6% in the first half and is projected to strengthen further to 8.7% in the second half of the year. This indicates a strong continuing growth till next year in the manufacturing sector.

## 8. INDUSTRY OVERVIEW AND OUTLOOK (cont'd)

The following chart illustrates the trend in output:

**Chart 1 : GDP of Manufacturing Sector**



Source : Economic Report 2001/2002, Ministry of Finance

### 8.5 OVERVIEW OF THE PRINTING INK INDUSTRY

Product groups which are mainly produced in the country are:

- ***Lithographic and offset printing inks***

Offset printing inks are found in the publishing and printing of reading materials such as magazines, brochures, books etc. Offset printing is mainly used taking over letterpress printing. There are new technology applied here and new technology is an important factor in the offset market. It is said, that a new technology, Ultra violet and Ultra Violet hybrid inks, is something that can have a major impact in the global market, and in time, will impact the country as well.

- ***Gravure printing inks***

Gravure printing inks is still widely used in the country as well as the region. Gravure inks are found in longer run applications such as plastic and paper packaging in consumer goods. Gravure continues to play a significant role in the packaging market. The most prevalent use of gravure is for candy on film substrates and on folding cartons in the paper market segment.

- ***Flexographic printing inks***

Flexographic printing inks is a rapidly growing process in the world. Flexographic inks are liquid inks, utilising solvent or water. Water based flexography is mainly used on kraft, corrugated, lightweight news type paper or polyolefin film, while solvent based inks are used on films and some paper surfaces.

## 8. INDUSTRY OVERVIEW AND OUTLOOK *(cont'd)*

The demand for flexographic inks is expected to be promising given its wide ranging use, from newspapers and food containers. Increased quality has resulted in flexographic's increased use in the corrugated and newspaper printing segments. Flexographic is the predominant and established print technique for corrugated printing and is expected to remain so. Increased print quality due to ink development, finer-line aniloxes and new plate technologies has helped build momentum for the use of flexography in package printing.

Energy curing ink is also found in flexography. This includes ultraviolet inks, which are used in a number of processes, including packaging, screen printing and compact discs. Another form of energy curing ink (flexographic) is electron beam which are found in flexible packaging and folding cartons, particularly in food packaging, where the minimal odors and extractable are advantageous.

- ***Letterpress printing inks***

This is traditional ink used on newspaper printing. The usage of this ink globally has been shrinking, where many are said to use offset printing.

*(Source: Independent Market Research Report by Messrs. Taylor Nelson Sofres)*

### 8.6 OVERVIEW OF THE PRINTING AND PUBLISHING INDUSTRY

Although in recent years, the potential media and data processing in computers have been greatly developed, it has to be economically available or accessible as compared to print media. Printed materials are still by far the cheapest and most direct source of information communication and dissemination.

There are approximately 3,500 licensed printing companies, with market demand of about RM8 billion. Major segments of printing industry in Malaysia are:

- ***Prepress companies like colour separation house, typesetters, graphic arts designers***

A high percentage of work done in these companies is for export producing advertising, magazines, coffee table books and general publication. The pre-press companies will always invest in the latest high tech equipment to achieve the level of business.

- ***Commercial printers such as publication printers, label printers, newspaper printers and computer form printers***

The commercial printers apart from the newspaper printers are usually very aggressive and with advanced state of the art equipment and majority of them have multi colour offset printing machines.

- ***Packaging / converting companies for flexible packaging of plastic bags, paper corrugated cartons and offset printed boxes***

This group of printing is very large in comparison with publication printing, as this is related to consumer packaging. Companies would own a few multi colour machines to cater for the local and the export market.

## 8. INDUSTRY OVERVIEW AND OUTLOOK (*cont'd*)

- ***Others such as screen printing***

The silk screen printing operates on a smaller scale as they cater for the needs of the local market.

The printing and packaging industry has been one of the fastest growing industry in the country. The growth is correlated to the population increase and consumer demand.

In addition, the growth is also in tandem with the growth of paper and plastic industries. For example, the plastic industry is expected to grow between 7% and 8% in 2002, with a total turnover estimated at about RM9.1 billion. In terms of production, packaging accounts for 35% of the plastic's industry total production. Furthermore, the consumption of paper and paperboard in the printing and packaging industry has been growing at a compound rate of about 20% since the mid 90s.

*(Source: Independent Market Research Report by Messrs. Taylor Nelson Sofres)*

### 8.7 SUMMARY OUTLOOK AND AREAS OF GROWTH

The printing ink industry in Malaysia is seen to have potential for growth. The growth potential is attributed to the following factors:

#### ***Evolution of Product User***

The economic success has transformed society to the level which begins to pay more attention to quality of life. This is in line with population increase in urban areas and the growth of more affluent, demanding and sophisticated society.

#### ***Increasing Demand in Packaging and Printing***

Packaging is an essential component in the sales of goods. It is fundamental to the way commerce is organised. Without packaging, materials handled would be messy, inefficient and costly, and modern consumer marketing would be difficult. There have been profound changes in packaging over time and consumers are certainly demanding more from packaging – convenience, differing product sizes and attractive and informative labeling.

The differing types of packaging which warrant differing forms of printing also contributes to increasing demand.

Essentially the demand for printing ink is derived from the packaging (plastic and paper) and publishing industries. With the economy of the country gradually returning to a steady growth of 5% in GDP from last year's 2%, Malaysia's demand for printing, packaging and paperboard products will increase due to:

- Increased per capita income has resulted in an increase in demand for consumer goods and hence the packaging printing products;
- Improved education and literacy rates, creating a further demand for books and printing paper in schools and demand for literacy material; and
- Growth of manufactured and export goods that require packaging.

The industry has been growing at about 12% a year in the 1990s. Up until 1997, the growth has been steady at about 12% a year. After the 1997 economic crisis, the market plunged before gradually picking up from 1999 onwards with about 8% growth. Since then, the industry has been growing steadily at 8% a year.

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**8. INDUSTRY OVERVIEW AND OUTLOOK (cont'd)**

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Comments from the industry is that the prospect of printing ink is generally good. Although the industry would be affected by economic performance, it would not be badly hit. It is a much needed industry, as, no matter how bad the economy crisis is, the demand of printing ink related industry such as publishing and food packaging material will still be available, although there might be a slight reduction. Any slowdown, would be attributed to the decline of certain industries such as electronics.

*(Source: Independent Market Research Report by Messrs. Taylor Nelson Sofres)*

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**9. FUTURE PLANS AND STRATEGIES**

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**9.1 FUTURE PLANS AND STRATEGIES**

For the Group's future plans, the management team believes in strengthening its core business in manufacturing of printing inks. The following are the areas of development and improvement:

***Production Facilities Expansion***

The Group has acquired a 119,113 square feet land in Seri Kembangan, Selangor to facilitate the production of their main products namely, gravure inks, flexographic inks and varnishes. The Group plans to commence operation in fourth quarter of 2004, upon completion of the new factory in September 2004.

***Increase Production Capacity***

The expansion of production facilities is in line with the Group's plans to increase productivity. This expansion will enable the Group to meet its customers demand, maintain the Group's stringent quality standard and to improve on the Group's performance.

***Product Expansion***

To remain competitive in the market, the Group is also planning to expand its product line with flexographic printing on films and polyethylene sheets. This plan is based on continuous feedback from customers. Further, the Group would also develop and improve its product formulations to be in line with the regional and global industry practice, such as producing environmentally friendly products. This effort is in recognition of the dynamics of customers' requirement, where meeting customers' demand and requirement is key to the success of the Group.

***Market Expansion***

With the above expansion plans, the Group aspires to expand their market overseas, targeting the South East Asian markets. The strategy is to leverage its printing consumable network around the region to capture the vast market.

This is an effort by the Group to expand its customer base beyond the local market, with its current market network coupled with its knowledge, expertise and technical know-how in the industry.

***Development of Value Added Services***

To achieve the expansion plans above, there is a need to develop a more efficient customer service. Customers would require technical support apart from quality products and competitive pricing. Therefore, the Group is also planning to upgrade its technical support in tandem with the anticipation of increasing customer base and market expansion.

*(Source: Independent Market Research Report by Messrs. Taylor Nelson Sofres)*



## 10. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT

### 10.1 SUBSTANTIAL SHAREHOLDERS

#### (i) Shareholdings

The details of the substantial shareholders of TIGB and their shareholdings, before and after the Offer for Sale and Public Issue, are as follows:

Name	Nationality	Before the Offer for Sale and Public Issue				After the Offer for Sale and Public Issue			
		←-----Direct-----→		←-----Indirect-----→		←-----Direct-----→		←-----Indirect-----→	
		No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Tuan Hj. Yusoff bin Daud	Malaysian	10,499,982	30.00	-	-	8,400,005	21.00	-	-
Song Kok Cheong	Malaysian	4,000,032	11.43	1,281,034 <sup>(1)</sup>	3.66	3,200,025 <sup>(3)</sup>	8.00	1,024,826 <sup>(1)</sup>	2.56
Ng Chong You	Malaysian	4,705,930	13.45	-	-	3,764,743 <sup>(4)</sup>	9.41	-	-
Lim Guan Lee	Singaporean	5,130,728	14.66	-	-	4,104,581	10.26	-	-
Fong Po Yin	Malaysian	1,281,034	3.66	4,000,032 <sup>(2)</sup>	11.43	1,024,826	2.56	3,200,025 <sup>(2)</sup>	8.00

Notes:

<sup>(1)</sup> Deemed interested by virtue of his spouse's shareholding in TIGB

<sup>(2)</sup> Deemed interested by virtue of her spouse's shareholding in TIGB

<sup>(3)</sup> Excluding the 44,000 Public Issue Shares, which will be offered to him pursuant to Section 6.4(c) of this Prospectus

<sup>(4)</sup> Excluding the 44,000 Public Issue Shares, which will be offered to him pursuant to Section 6.4(c) of this Prospectus

#### (ii) Profile

**Tuan Hj. Yusoff bin Daud**, aged 58, is the Non-Executive Chairman of TIGB and was appointed to the Board on 4 August 2003. He graduated from the University of Brighton with a Bachelor of Science (Honours) Degree in Electrical Engineering in 1968. He joined the National Electricity Board (LLN), Kota Bahru immediately after his graduation and in 1970 he was posted to Kedah as Assistant Engineer Consumers. In 1974, he was promoted to District Engineer where he was responsible for the planning and implementation of electricity supply in the State of Perlis. In 1977, he became the Senior District Manager, Kuala Terengganu where he was responsible for the overall management and operations of electricity supply in the State of Terengganu. From 1979 to 1980, he was attached to Petronas in the Special Projects Department as its Deputy Head responsible for the planning of the Peninsular Gas Utilisation Project.

In 1981, Tuan Hj. Yusoff was appointed as a Director of Zaidun-Leeng Sdn. Bhd. and was subsequently made the Managing Director in 1994, a position which he continues to hold until today. He has over thirty three (33) years of management and professional experience in the consulting engineering industry. Zaidun-Leeng Sdn. Bhd. specialises in the planning and design of infrastructure projects including mechanical, electrical and structural engineering services for buildings. Tuan Hj. Yusoff is also a Director of Lingkaran Trans Kota Holdings Berhad since 1995.

## 10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

**Song Kok Cheong**, aged 51, is the Managing Director of TIGB and was appointed to the Board on 4 August 2003. He has thirty two (32) years of experience in the printing business. He joined the Federal Metal Printing Company as a printing technician in 1970. Subsequently, he left and joined DIC (M) Sdn. Bhd., one of the leading printing ink manufacturers in the country, from 1975 to 1981.

Having built a wide-ranging network of contacts and associates in the printing industry, Mr. Song joined TISB as a Director in 1981 and has been instrumental in building the business of TISB to its present success. He incorporated TPPSB in 1983

**Ng Chong You**, aged 53, is the Executive Director of TIGB and was appointed to the Board on 4 August 2003. Mr. Ng has vast experience in the printing business, particularly in technical and production aspect of the ink manufacturing. He started working for Interchem-Toyo (Southeast Asia) Co. Ltd. ("Interchem-Toyo") in 1971, a manufacturer of printing inks. He was attached to the technical department and during the course of his work in Interchem-Toyo, he was involved in the manufacturing of different types of ink such as solvent-based ink and oil based ink. Mr. Ng was subsequently transferred to IPI Sdn. Bhd, a subsidiary company of Interchem-Toyo in 1974. In IPI Sdn. Bhd, he was in charge of the technical department and production department. He was also actively involved in the R&D department and handled technical support for customers.

In 1979, Mr. Ng became one of the founding members of TISB. In TISB, he was still involved in both the production and technical department. As he has vast technical knowledge in terms of ink production, he is also heading the purchasing department of TISB. To keep abreast with the latest ink technology, Mr. Ng makes frequent trips to Japan and Europe to study the new trends of ink manufacturing and to introduce it to the Group.

**Lim Guan Lee**, aged 53, is the Non-Executive Director of TIGB and was appointed to the Board on 4 August 2003. Mr. Lim joined the printing industry since 1969 and has more than thirty three (33) years experience in this field. He is currently the Chairman and Managing Director of Lim Keenly Builders Pte. Ltd. and Lim Keenly Investments Pte. Ltd.. He is also the Chairman of Toyo Ink Pte. Ltd..

### (iii) Directorship and Substantial Shareholding in other public listed companies in the past two (2) years

Other than as set out below, none of the substantial shareholders of TIGB hold other directorship and/or have substantial shareholdings in other public companies incorporated in Malaysia for the past two (2) years:-

Name	Company	←----- Directorship-----→		←----- Substantial Shareholdings-----→			
		Date appointed	Date resigned	Direct No. of Shares held	Percentage of issued and paid-up share capital (%)	Indirect No. of Shares held	Percentage of issued and paid-up share capital (%)
Tuan Hj. Yusoff bin Daud	Lingkaran Trans Kota Holdings Berhad	13 September 1995	-	137,000	0.03	88,994,260 <sup>(1)</sup>	18.51

Note: <sup>(1)</sup> Deemed interested by virtue of his spouse's shareholdings in Irama Duta Sdn. Bhd.

## 10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

### 10.2 PROMOTERS

#### (i) Shareholdings

The details of the Promoters of TIGB and their shareholdings, before and after the Offer for Sale and Public Issue, are as follows:

Name	Nationality	Before the Offer for Sale and Public Issue				After the Offer for Sale and Public Issue			
		←---Direct---→		←---Indirect---→		←---Direct---→		←---Indirect---→	
		No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Song Kok Cheong	Malaysian	4,000,032	11.43	1,281,034 <sup>(1)</sup>	3.66	3,200,025 <sup>(2)</sup>	8.00	1,024,826 <sup>(1)</sup>	2.56
Ng Chong You	Malaysian	4,705,930	13.45	-	-	3,764,743 <sup>(3)</sup>	9.41	-	-
Lim Guan Lee	Singaporean	5,130,728	14.66	-	-	4,104,581	10.26	-	-

Notes:

<sup>(1)</sup> Deemed interested by virtue of his spouse's shareholding in TIGB

<sup>(2)</sup> Excluding the 44,000 Public Issue Shares, which will be offered to him pursuant to Section 6.4(c) of this Prospectus

<sup>(3)</sup> Excluding the 44,000 Public Issue Shares, which will be offered to him pursuant to Section 6.4(c) of this Prospectus

#### (ii) Profile

Please refer to the profiles of Song Kok Cheong, Ng Chong You and Lim Guan Lee in Section 10.1 above.

#### (iii) Directorship and Substantial Shareholding in other public listed companies in the past two (2) years

None of the Promoters of TIGB has directorship in any other public companies for the past two (2) years.

#### (iv) Changes in Substantial Shareholders / Promoters and Their Shareholdings for the Past Three (3) Years

Date	Substantial Shareholders	Shareholding Before Change	Acquired	Disposal	Shareholding After Change
24 August 2002	Siti Rohani bt. Sheikh Hassan	1	-	-	1
24 August 2002	Hashimah bt. Hashim	1	-	-	1
1 August 2003	Tuan Hj. Yusoff bin Daud	-	10,499,982	-	10,499,982
1 August 2003	Song Kok Cheong	-	4,000,031	-	4,000,031
1 August 2003	Ng Chong You	-	4,705,929	-	4,705,929
1 August 2003	Lim Guan Lee	-	5,130,728	-	5,130,728
2 August 2003	Siti Rohani bt. Sheikh Hassan	1	-	1	0
2 August 2003	Hashimah bt. Hashim	1	-	1	0
2 August 2003	Song Kok Cheong	4,000,031	1	-	4,000,032
2 August 2003	Ng Chong You	4,705,929	1	-	4,705,930

## 10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

### 10.3 BOARD

#### (i) Shareholdings

The Board and their shareholdings, according to the Register of Directors and Directors' Shareholdings, before and after the Offer for Sale and Public Issue, are as follows:

Name	Nationality	Before the Offer for Sale and Public Issue				After the Offer for Sale and Public Issue			
		←---Direct---→		←---Indirect---→		←---Direct---→		←---Indirect---→	
		No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Tuan Hj. Yusoff bin Daud	Malaysian	10,499,982	30.00	-	-	8,400,005	21.00	-	-
Song Kok Cheong	Malaysian	4,000,032	11.43	1,281,034 <sup>(1)</sup>	3.66	3,200,025 <sup>(2)</sup>	8.00	1,024,826 <sup>(1)</sup>	2.56
Ng Chong You	Malaysian	4,705,930	13.45	-	-	3,764,743 <sup>(3)</sup>	9.41	-	-
Yap Yee Kiean	Malaysian	1,130,326	3.23	-	-	904,260 <sup>(4)</sup>	2.26	-	-
Lim Guan Lee	Singaporean	5,130,728	14.66	-	-	4,104,581	10.26	-	-
Tham Kut Cheong	Malaysian	-	-	-	-	-	-	-	-
You Tong Lioung @ Yew Tong Leong	Malaysian	-	-	-	-	-	-	-	-

Notes:

<sup>(1)</sup> Deemed interested by virtue of his spouse's shareholding in TIGB

<sup>(2)</sup> Excluding the 44,000 Public Issue Shares, which will be offered to him pursuant to Section 6.4(c) of this Prospectus

<sup>(3)</sup> Excluding the 44,000 Public Issue Shares, which will be offered to him pursuant to Section 6.4(c) of this Prospectus

<sup>(4)</sup> Excluding the 44,000 Public Issue Shares, which will be offered to him pursuant to Section 6.4(c) of this Prospectus

#### (ii) Profile

Please refer to the profiles of Tuan Hj. Yusoff bin Daud, Song Kok Cheong and Ng Chong You in Section 10.1 of this Prospectus.

**Yap Yee Kiean**, aged 44, is an Executive Director of TIGB and was appointed to the Board on 4 August 2003. He holds a Certificate in Instrumentation and Controls from Ungku Omar Polytechnic and joined the printing industry in the early 1980s. Currently, he is also a Director of TPPSB and he is responsible in overseeing the sales and marketing activities in TPPSB.

**Tham Kut Cheong**, aged 58, is the Independent Non-Executive Director of TIGB and was appointed to the Board on 4 August 2003. He graduated from University of Malaya in 1970 with a Bachelor of Economics degree and fulfilled his training in accountancy under Deloitte & Co. United Kingdom. He was a fellow member of the Institute of Chartered Accountants in Ireland and was admitted to the Malaysian Institute of Accountant in 1980 as a Public Accountant. Upon completing his training he started his own practice, K.C. Tham & Co. in 1980. He has more than twenty (20) years of experience in financial management, accounting and auditing. Mr. Tham was appointed to the Board of Directors of Techventure Berhad and Parade Season Berhad. He is also a Director in several private limited companies in Malaysia.

## 10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

**You Tong Lioung @ Yew Tong Leong**, aged 67, is the Independent Non-Executive Director of TIGB and was appointed to the Board on 4 August 2003. He graduated in 1960 from the Nanyang University of Singapore with a Bachelor of Commerce degree majoring in Banking. Upon his graduation, he was attached with United Malayan Banking Corporation Berhad (presently known as RHB Bank Berhad) as a Bills Officer and was later promoted to Branch Manager in 1963. After twenty five (25) years with the bank, he joined Malaysian French Bank Berhad, assuming the same role until his retirement in 1996. In 1998, he started his service with Kurnia Insurance (M) Berhad as the Head of Credit Control Department and at present, he is holding the position of Senior Manager. Mr. You is also the Director of SKB Shutters Corporation Berhad.

### (iii) Directorship and Substantial Shareholding in other public listed companies in the past two (2) years

Other than as set out below, none of the Directors of TIGB hold other directorship and/or have substantial shareholdings in other public companies incorporated in Malaysia for the past two (2) years:-

Name	Company	←----- Directorship-----→		←----- Substantial Shareholdings-----→			
		Date appointed	Date resigned	Direct No. of Shares held	Percentage of issued and paid-up share capital (%)	Indirect No. of Shares held	Percentage of issued and paid-up share capital (%)
Tuan Hj. Yusoff bin Daud	Lingkarans Trans Kota Holdings Berhad	13 September 1995	-	137,000	0.03	88,994,260 <sup>(1)</sup>	18.51
Tham Kut Cheong	Techventure Berhad	28 March 1997	-	6,000	0.01	3,747,327 <sup>(2)</sup>	7.59
Tham Kut Cheong	Parade Season Berhad	15 April 2003	-	-	-	-	-
You Tong Lioung @ Yew Tong Leong	SKB Shutters Corporation Berhad	10 February 2001	-	10,000	0.03	-	-

Note: <sup>(1)</sup> Deemed interested by virtue of his spouse's shareholdings in Irama Duta Sdn. Bhd.

<sup>(2)</sup> Deemed interested by virtue of his spouse's (Kwok Sow Moi @ Kwok Sow Moy) shareholding in Techventure Bhd..

### (iv) Directors' Remuneration and Benefits

The remuneration paid to the Directors of the Group for services rendered in all capacities to the Group for the year ended 31 March 2003 amounted to RM1,028,695. For the financial year ending 2004, the forecast aggregate remuneration and fee payable to the Directors of the Company and its subsidiary companies is RM1,076,820.

## 10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

The Directors fall within the following remuneration bands:-

Remuneration Band RM	Number of Directors	
	FYE 31 March 2003	Financial year ending 31 March 2004
0 – 100,000	2	4
100,001 – 200,000	-	-
200,001 – 300,000	1	1
300,001 – 400,000	2	2

### 10.4 AUDIT COMMITTEE

Details of the Audit Committee of TIGB are as follows:-

Name	Designation	Directorship
Tham Kut Cheong	Chairman	Independent Non-Executive Director
You Tong Lioung @ Yew Tong Leong	Member	Independent Non-Executive Director
Song Kok Cheong	Member	Managing Director

### 10.5 KEY MANAGEMENT

#### (i) Shareholdings of the Key Management Team

Name	Before the Offer for Sale and Public Issue				After the Offer for Sale and Public Issue*			
	←-----Direct-----→		←-----Indirect-----→		←-----Direct-----→		←-----Indirect-----→	
	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Yong Kok Liew	-	-	-	-	-	-	-	-
Noriaki Kimura	-	-	-	-	-	-	-	-
Wong Kean On	-	-	-	-	-	-	-	-
Chai Kwok Sang	-	-	-	-	-	-	-	-
Cheong Poh Leng	-	-	-	-	-	-	-	-
Law Keen Heng	-	-	-	-	-	-	-	-
Ng Aik Wah	-	-	-	-	-	-	-	-
Cheam Toon Ooi	-	-	-	-	-	-	-	-
Kheong Kin Cheong	-	-	-	-	-	-	-	-
Lit Ghin Len	-	-	-	-	-	-	-	-
Robert Ling Seng Kang	-	-	-	-	-	-	-	-
Loi Eng Cheng	-	-	-	-	-	-	-	-
Wong Why Leong	-	-	-	-	-	-	-	-
Kok Boon Chong	-	-	-	-	-	-	-	-

Note:

\* The table above does not include allocation of Shares reserved for eligible Directors / employees of TIGB Group pursuant to the Public Issue.

**10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)****(ii) Profile of Key Management Team**

**Yong Kok Liew**, aged 55, is the General Manager of the TISB since March 2001. Mr. Yong started his career in 1969 as an articled clerk under training with KPMG Peat Marwick, an international firm of professional accountants and auditors and qualified as a Chartered Management Accountant in 1972. During this period of training he gathered vast experience and exposure in the audit engagements of businesses in the various sectors of the Malaysian Economy such as the manufacturing, trading, plantations, financial services and banking, construction and property development.

For the last twenty seven (27) years, he was engaged at senior management and board levels in companies which are involved in the activities of food processing, printing and packaging, security printing, palm oil bulking and chemicals warehousing, plantations, international trading and stock brokering. Currently, he sits on the Board of Marushin Canneries (Malaysia) Sdn. Bhd., a Malaysian-Japanese joint venture engaged in the production of canned sardine and mackerel. He is also a Director of Security Printers (M) Sdn. Bhd. and Percetakan Keselamatan Nasional Sdn. Bhd., two (2) companies engaged in the production of postage stamps, cheques, passports and other high end security documents for the Government of Malaysia.

**Noriaki Kimura**, aged 36, is a Director of TDNSB since November 2001. He graduated from the department of Sociology in Kansai University in March. He joined Dainichiseika Color & Chemicals Mfg. Co., Ltd. in April 1991 and in the course of his employment, he has received training at the head office of Dainichiseika Color & Chemicals Mfg. Co., Ltd. and its factories to obtain experience in the manufacturing process. In October 1991, he was assigned to the gravure inks department as sales assistant and was formally assigned to the gravure inks department at Dainichiseika Color & Chemicals Mfg. Co., Ltd.'s Osaka branch in April 1992.

In April 1996, he was assigned to the total printing group international division at the head office and was engaged in the transaction of printing inks for the Southeast Asian market. In August 1995, he was transferred to PT. Hi-Tech Ink Indonesia as a Director.

**Wong Kean On**, aged 43, is the General Manager of TPPSB. He joined the Company in November 1991 and has been working in the printing industry for the past twenty-one (21) years. He has attended management, sales and marketing, imaging / printing, technical and other related courses locally and overseas. His responsibility includes overseeing TPPSB's operations and activities.

**Chai Kwok Sang**, aged 47, is the Senior Manager of TISB responsible for Glasurit products since June 2003. He has wide experience in the paint technology and applications. He started his career working with Berger Paints and Behn Meyer. Prior to joining TISB, he was the Senior Business Manager in BASF (Malaysia) Sdn. Bhd. for the past fourteen (14) years. His achievements include promoting the Glasurit products and bringing the brand as the best selling automotive paint in the country.

**Cheong Poh Leng**, aged 44, was appointed as the Secretary and Personal Assistant to the Managing Director of TISB in March 1998 and was redesignated as the Administration and Human Resources Manager cum Personal Assistant on 1 May 2003. She holds the London Chamber of Commerce and Industry Private Secretary's Full Certificate and the Pitman's Private Secretary's Certificate. She has more than twenty (20) years of extensive working experiences in various companies as the confidential secretary for the senior management, which includes the Managing Director of Goon Institution Sdn Bhd, Giant Bay (Malaysia) Sdn. Bhd. and Malaysian Futures Clearing Corporation Sdn Bhd.

**10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)**

**Law Keen Heng**, aged 41, is currently the Finance and Accounting Manager. Mr. Law had his early work experience as a professional in organizations engaged in consumer electronics, construction and electrical related businesses.

He joined TISB in May 1994. He possesses a Diploma in Commerce and is also a member of the Chartered Institute of Management Accountants (UK) and Malaysian Institute of Accountants.

**Ng Aik Wah**, aged 36, is the Factory Manager of the Company. He started his career in the ink manufacturing business in the quality assurance department of TISB in March 1989. Six (6) years later, after thoroughly understanding the stringent requirements of quality in ink production, he was assigned to the production department as a supervisor. He was promoted to deputy manager in charge of overall production in 1997 which covers the responsibility for raw materials, storage, production, distribution and logistics, factory human resource planning and staff training. In year 2000, Mr. Ng was further promoted to his present position as factory manager. This position encompasses additional responsibilities for factory premises, adequacy of power supplies and equipment planning and upgrading.

**Cheam Toon Ooi**, aged 49, is the Marketing Manager of the Company and he joined TISB in June 1995. He brings with him twenty-eight (28) years of experience in the Malaysian printing ink industry. His first exposure to the industry was in 1975 as a sales representative for Interchem Toyo (SEA) Ltd. From 1979 to 1995, Mr. Cheam worked in Coates Brothers (M) Sdn. Bhd. in various sales and project development functions.

He has extensive knowledge of the market place and its requirements for printing inks such as offset, wop, gravure, flexographic, metal-decorating, silk screen paste inks, uv screen inks and a full range of pre-press consumables.

**Kheong Kin Cheong**, aged 35, is the Production Manager of TISB. He has been given total in-depth training in ink manufacturing by TISB since joining the team in July 1988. After having accumulated eleven (11) years of training and exposure, which apart from in-factory production processes, also covers customer service and technical follow-up in the market place. He was promoted to his present position of production manager in 1999 with the overall responsibility for production processes. Mr. Kheong, working with his team of technical supporting staff, is also responsible for new product development to keep the Company in the forefront of the ink manufacturing industry.

**Lit Ghin Len**, aged 40, is the Production Manager of TDNSB.

He joined TISB in March 1984 and was involved in production of offset inks. When TDNSB was formed in 1990, Mr. Lit was transferred to this subsidiary company. Subsequently, he was promoted to Assistant Production Supervisor in 1995 and to Deputy Manager in 1997.

He was assigned to his present position of Production Manager in 2001. His responsibilities cover all aspects of production from raw materials planning, manpower control, monitoring of quality of finished products, control of wastages and production efficiency and factory performance targets set by the Board.



**10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)**

**Robert Ling Seng Kang**, aged 34, is the Sales Manager of Toyo (Penang) since November 2001. Prior to that, he was the Sales and Marketing Manager with Global Soft MSC Berhad. He started his career in 1992 in the information technology industry as a graduate trainee with Nortek Associates Sdn. Bhd. Over the years, he has been primarily involved in the Enterprise Resource Planning ("ERP") implementation for various discrete-based manufacturing industries ranging from electronic, plastics and metal-based industry. Later, he was involved on the business development for its products as well.

At present, he is responsible for the marketing and sales of Toyo (Penang) as well as the day-to-day operation to ensure quality service and cost management of Toyo (Penang).

**Loi Eng Cheng**, aged 39, is the Technical Manager for Glasurit Automotive Refinish Department in the Company with effect from June 2003. Prior to this, he was the Sales and Technical Executive in BASF (Malaysia) Sdn. Bhd, responsible for the sales and technical support as well as conducting training for the products to end users within the Asia-Pacific region. He holds a Diploma in Mechanical Engineering from Federal Institute of Technology.

**Wong Why Leong**, aged 36, is the Assistant Manager of TDNSB. He is a chemistry graduate from University Putra Malaysia and joined the company in May 1993.

As a chemist, he was responsible for in process quality control and technical after sales service to the Group's customers. Mr. Wong works very closely with the Group's customers and develops new inks with varied properties as required by the Group's customers. In 2001, He was promoted to his present position of Assistant Manager.

**Kok Boon Chong**, aged 28, is a graduate in Biochemistry from University Putra Malaysia. He joined TDNSB since May 1999. He is a chemist and responds to quality problems, investigate and study the root cause of contaminated and rejected material and take corrective action to ensure quality is maintained. He is also involved in the R&D of lithographic inks and provides technical assistance to the customers.

**10.6 FAMILY RELATIONSHIP**

None of the substantial shareholders, Promoters and Directors of TIGB and senior management of the TIGB Group are related to each other.

**10.7 DECLARATION BY THE DIRECTORS AND KEY MANAGEMENT TEAM**

No director, key management staff or person nominated to become a Director or key management staff is or was involved in the following events:

- (i) a petition under any bankruptcy laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key management staff;
- (ii) a conviction in a criminal proceeding or is named as the subject of a pending criminal proceeding; or
- (iii) the subject of any order, judgement or ruling of any court jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business practice or activity.

**10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)**

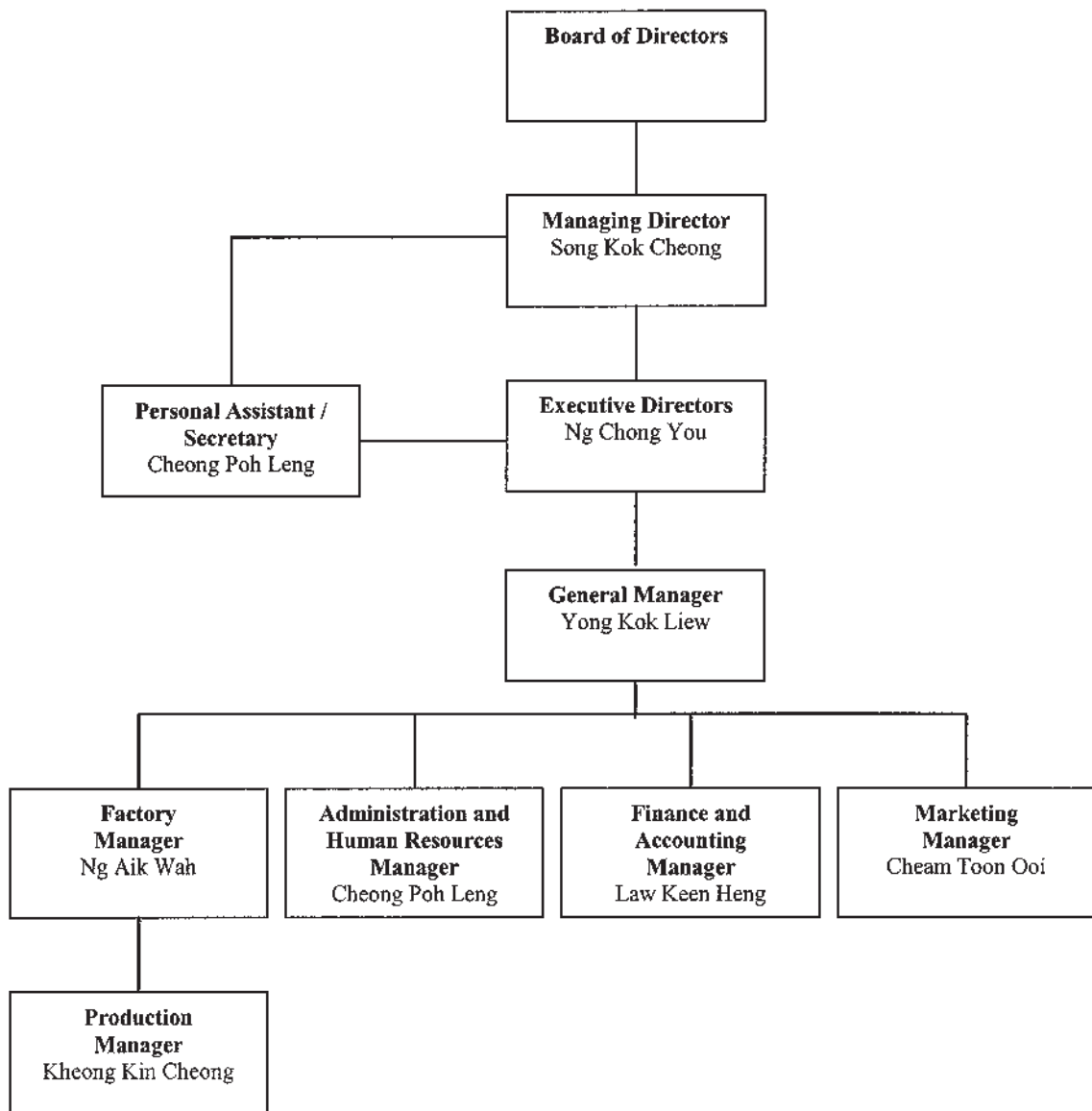
**10.8 SERVICE CONTRACTS / AGREEMENTS**

None of the existing Directors of the Company has any current or proposed service contracts with the Company or any of its subsidiary companies, which are not terminable by notice without payment of compensation.

**10.9 MANAGEMENT SUCCESSION PLAN**

**10.9.1 Organisation Structure**

The Group's functions are structured as below:-



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**10. INFORMATION ON MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)**

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**10.9.1.1 Production Department**

The production department carries out all the manufacturing, packing and quality assurance activities of the Group and is responsible to assure that sufficient supplies to customers are fulfilled all the time. Weekly production planning are done to make sure that no interruptions that will slow down the production processes will occurred. In this regard, machinery maintenance is scheduled and carries out at a sufficient time frame to avoid any machine breakdown. The production department is headed by Kheong Kin Cheong who are skillful in the processes and his profile is elaborated in Section 10.5 of this Prospectus.

**10.9.1.2 Finance and Accounting Department**

Law Keen Heng, whose profile is explained in Section 10.5 of this Prospectus, heads the finance and accounting department. This department oversees all the financial aspect of the Group. In order to assure that the Group's financial condition is stable all the time, the department control the Company's expenses and also implement credit control on trade debts to avoid bad debts that could be harmful to the Group's cashflow.

**10.9.1.3 Administration and Human Resources Department**

The responsibilities of the administration and human resources department of TIGB include recruiting sufficient manpower, co-ordinating all the training for employees, in-charge of the procurement of raw materials, and managing the assets and buildings of TIGB. Cheong Poh Leng heads this department and her profile is elaborated in Section 10.5 of this Prospectus.

**10.9.1.4 Marketing Department**

The business processes of TIGB start with the marketing department, where all customer enquiries and orders are received. This department is also in-charge on the monitoring of end products delivery to customers. The focus of marketing department shall be establishing new markets for future expansion besides maintaining and servicing existing customers. This department is headed by Cheam Toon Ooi and his profile is disclosed in Section 10.5 of this Prospectus.

**10.9.2 Non-family members in senior management level**

None of the senior management, key management team, head of department and leaders to all the projects is related to each other. Their appointments are fair and transparent based on their skills, knowledge and competencies as well as their abilities to assume the responsibilities of the roles. This assures those are professionals who are poised to contribute positively to the operating and management of TIGB.

**10.9.3 Grooming of personnel**

TIGB recognises the importance of its employees to maintain its competitive advantage. In this regard, TIGB has always provided continuous training to groom its employees in order to upgrade their knowledge, skills and competency. These employees are expected to gradually assume the responsibilities from the senior management of the TIGB Group. Young employees always seek advice for improvement and receive direct attention and supervision from their immediate supervisors and heads of department for guidance. By having a pool of skilled and well-groomed employees, the management of TIGB is of the opinion that their operation will continue to expand.