3. RISK FACTORS

Prior to making an investment in the IPO Shares, applicants for the IPO Shares should carefully consider the following risk factors (which may not be exhaustive) which may have a significant impact on the future performance of the Group in addition to the other information contained elsewhere in this Prospectus.

(i) No prior market for TIGB shares

Prior to the Public Issue and Offer for Sale, there has been no public market for shares in TIGB. There can be no assurance that an active market for shares in TIGB will develop upon its listing on the Second Board of the KLSE or, if developed that such market will be sustained. The offer/issue price of RM1.40 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 TIGB Group services, the management of the Group, the market prices for shares of companies engaged in businesses similar to that of the TIGB Group and the prevailing market conditions at the time the application for TIGB's listing was submitted to the SC.

There is no assurance that the offer/issue price of RM1.40 per Share will correspond to the price at which the shares in TIGB will be traded on the KLSE Second Board upon or subsequent to its listing or that an active market for shares in TIGB will develop and continue upon or subsequent to its listing.

(ii) Competition

The Group faces competition from various competitors, both domestically and abroad, which include private and public listed companies. Should the Group fail to overcome the competition, it will cause lost of market share and subsequently lost of revenue. This will affect the financial position of the Group. Nevertheless, the Group has successfully established a strong relationship with its customers and is confident that it will maintain its competitive advantage by ensuring prompt deliver, price competitiveness of its products and consistent quality. The Group is constantly looking at improving its production processes to increase production efficiency, standards and the quality of its products through R&D to remain competitive. However, there can be no assurance that the Group will be able to maintain its existing market position in the future.

(iii) Business Risks

The principal business activities of the TIGB Group are in the manufacture and sale of ink and related products, and dealers in printing machinery. TIGB is therefore subject to certain risks inherent in the related industries. The risks include constraints 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. Any of these may be a threat to the operations and financial performance of the Group.

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 the 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.

(iv) Ownership and control by the substantial shareholders

Upon its listing on the Second Board of the KLSE, the Company will have five (5) substantial shareholders namely Tuan Hj. Yusoff bin Daud, Song Kok Cheong, Ng Chong You, Lim Guan Lee and Fong Po Yin who will collectively control approximately 51.23% of the Company's enlarged issued and paid-up share capital after the Offer for Sale and Public Issue. As such, it is likely that they will be able to influence 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 by the relevant authorities.

(v) Supply and prices of raw materials

The Group sources its raw materials such as pigment, solvent, resin and additive from different suppliers. It is not dependent on any single supplier for sourcing its raw materials. The Group has a long-term relationship with its raw materials suppliers and has good mutual trust and support. Approximately 90% of the raw materials are sourced through local suppliers, namely local distributors or local trading agents, while approximately 10% are imported from overseas suppliers. The Group is also exposed to the risk of fluctuations in prices of raw materials. Notwithstanding this risk, the Group may still be able to maintain reasonable profits if it can pass the increase in cost to its customers. The management of the Group does not foresee any difficulties in procuring the raw materials from local suppliers and is able to identify additional suppliers should the need arise.

The management of the Group has extensive experience in purchasing raw materials and is well versed with the market trends of the raw materials prices and availability. However, there can be no assurance that any significant changes to the supply and the fluctuations in raw materials prices will not affect the future profitability of the Group.

(vi) Political, economic and regulatory considerations

Any adverse developments in political, economic and regulatory conditions in Malaysia and the countries where the Group has business dealings may materially and adversely affect the financial prospects of the Group and the industry in which it operates. Amongst the political, economic and regulatory uncertainties are the changes in political leadership, expropriation, nationalism, re-negotiation or nullification of existing sales orders and contracts, changes in interest rates and methods of taxation and currency exchange rules and contracts. Whilst the Company will continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political and economic factors will not materially affect the Company.

(vii) The non-existence of long term contracts with customers and suppliers

Customers

The Group does not have any long-term contracts with its customers and orders from its regular customers are on a day-to-day basis. Hence there is no assurance that TIGB will not experience low sales at any point of time. It should be highlighted that it is not common practice for suppliers of ink and related products to enter into long term contracts with its customers. In order to minimise this risk, the Group provides after-sales service and is prompt in responding to any customer's complaint. These services provided by the Group are crucial aspects in retaining its customers.

Suppliers

The Group enters into open-ended contracts with its suppliers, where they remain the authorised distributors for products until the contracts are terminated by either the Group or the supplier. Contracts may restrict the Group from obtaining their supplies from other suppliers should they be of better quality or lower prices.

TIGB Group has a long-term relationship with most of its suppliers, which it has built over the years, based on mutual trust and support. The relationship between the TIGB Group and its suppliers can ensure a constant and reliable supply of raw materials.

(viii) Usage of printing inks and related products in the future

The future trend in the industrial inks and related products is towards the usage of water based, low solvent inks which are more environmentally friendly. The Group is also exposed to the risk of technological advancement such as the introduction of paperless technology, which could reduce the demand for printed materials and as such, the demand for printing inks.

The management believes that the impact of technological advancement to its business is minimal. Further, the need for ink moves in line with population growth and consumer base as ink is required for many usage, from printing of newspaper and magazines to labels for products and billboard / banner advertisements. TIGB is cognizant of the trend towards water based ink and is continuing its R&D efforts to produce printing ink which minimises the usage of solvents. However, there can be no assurance that any change in future trends will not have an adverse impact on the business and operations of the TIGB Group.

(ix) Dependence on key personnel

The Group believes that its continued success depends to a significant extent upon the abilities and continued efforts of its existing Directors and senior management. The loss of any key members of the Board and senior management may to a certain extent affect the Groups' continued ability to maintain and improve its performance. Efforts are presently being made by the Group to groom other members of the management to assume more responsibilities to ensure a smooth transition should any changes occur. The Group is also making efforts to attract and retain key personnel. Further details on the Group's management succession plans are provided under Section 10.9 of this Prospectus.

(x) Distribution Rights of Printing Consumables, Equipments and Spares

Currently, the TIGB Group has entered into distributorship agreements with the following companies for the sale and distribution of their products in selected countries as set out below:-

Company	Products	Country
Du Pont China Limited ("Du Pont")	Products under the brand name Cyrel	Malaysia
Kodak Polychrome Graphics (Asia Pacific Region)	Products under the brand name Horsell	Malaysia, Vietnam
Creo Asia Pacific Limited	Products under the brand name Creo	Malaysia
BASF (Malaysia) Sdn Bhd	Automotive paint products under the brand name Glasurit	Malaysia, Brunei
BASF Singapore Pte Ltd	Automotive paint products under the brand name Glasurit	Singapore

The Group has entered into distribution agreements with Du Pont, Kodak Polychrome Graphic (Asia Pacific Region), Creo Asia Pacific Limited, BASF (Malaysia) Sdn Bhd and BASF Singapore Pte Ltd on the basis of long term business agreement to promote and sell their products. There is no assurance that the agreements will be renewed after the end of the contract period. However, the Group has a cordial relationship with Du Pont, Kodak Polychrome Graphics (Asia Pacific Region), Creo Asia Pacific Limited, BASF (Malaysia) Sdn Bhd and BASF Singapore Pte Ltd and the management does not foresee any problems in obtaining supplies from them in the future.

(xi) Profit forecast

The profit forecast of the TIGB Group as set out in this Prospectus are based on assumptions that the Directors of TIGB believe to be reasonable. However, these assumptions are subject to uncertainties and contingencies. Due to the subjective judgements and inherent uncertainties underlying the forecast and as events and circumstances may not occur as expected, there can be no assurance that the profit forecast contained herein will be realised and actual results may be materially different from those stated herein. Investors are deemed to have read and understood the assumptions and uncertainties underlying the forecast contained herein.

(xii) Foreign exchange risk

Most raw materials such as solvents and pigments are sourced from local distributors, hence minimising the Group's exposure to fluctuation of foreign currencies. The TIGB Group is subject to foreign exchange risk through its direct importation of raw materials and machinery. On September 1998, the Malaysian government imposed a fixed exchange rate at RM3.80/USD1.00, thus minimising foreign exchange risk.

The Group's revenue can also be susceptible to foreign exchange risk as it exports inks to Vietnam, Myanmar, Singapore and Thailand. Nevertheless, the impacts of foreign exchange fluctuations will not be material as the TIGB Group's customers are mostly situated in Malaysia. For the FYE 31 March 2003, RM46.59 million or 88.71% of the Group's revenue was from local sales.

(xiii) Achievability of forward looking statements

This Prospectus contains forward-looking statements, which are statements made, 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 to be correct. Any differences in the expectation of the Group from its actual performance may result in the Group's financial and business performance and plans to be materially different from those anticipated.

(xiv) Adequacy of insurance coverage on the TIGB Group's assets

As at 31 March 2003, the net book value of TIGB Group's fixed assets is approximately RM11.03 million which have an insurance coverage totaling to approximately RM14.93 million. The Group has taken the necessary measures to ensure that all its assets are adequately covered by insurance. Although the Group has taken the necessary measures to ensure that all its assets, excluding land, are adequately covered by insurance, there can be no assurance that the insurance coverage would be adequate for the replacement cost of the assets or any consequential loss arising therefrom.

(xv) Impact of ASEAN Free Trade Area ("AFTA")

The coming on-stream of the AFTA may result in an adverse impact on the market position or market share presently held by local ink manufacturers. With regards to this, the Malaysian manufacturing industry can no longer depend on government assistance and protection. With the liberalisation of domestic markets arising from Malaysia's commitments to AFTA, ink manufacturers such as TIGB will face increased competition. Any failure to compete with the increased competition will have adverse consequences on TIGB's financial performance and brandname.

Although competition among the local ink manufacturers is expected to intensify under AFTA, the Group views AFTA as an opportunity to penetrate the ASEAN market as trade barriers such as taxes and levies will be gradually reduced. The Group is planning to increase its production capacity and improve production efficiency to increase their market share, both domestically and regionally.

TIGB Group has always been operating in a competitive business environment against other local and foreign controlled ink manufacturers. The bigger foreign controlled ink manufacturers are DIC (M) Sdn. Bhd., Coates Brothers (M) Sdn. Bhd., SICPA (M) Sdn. Bhd., Sakata Inx (M) Sdn. Bhd. and Toyochem Corporation Berhad. Most of these foreign controlled ink manufacturers have already set up their manufacturing base in ASEAN countries whereby their rights to distribute their products are confined to that particular territory. The Directors believe that the AFTA may not have a significant impact on the TIGB Group's business.

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

(xvi) Collection of trade debts

There is no assurance that TIGB Group will be able to collect all trade debts due from its customers on time. Bad debts or slow collection of debts are detrimental to the cashflow position of the Group. To mitigate this risk, TIGB Group has a policy that involves the assessment of credit worthiness of its customers before allowing the terms of payment. The financial and accounting department of TIGB will also monitor the status of the Group's debts and its collection. Further details on TIGB's trade debtors ageing analysis is disclosed in Section 15.5 of this Prospectus.

3. RISK FACTORS *(cont'd)*

(xvii) Operational risks

TIGB is also exposed to risks related to its operation, which include fire and power crisis due to the nature of its business. Such incidents will damage TIGB's assets and financial condition. In this regard, TIGB conducts monthly test on its fire fighting systems i.e. fire hydrants, hose reels and fire extinguishers and the water sprinkle system installed in their buildings and factories. Fire drills are also carried out at regular intervals with its staff. The Group's factory premises are adequately protected through the adoption of stringent security measures. The Group has adequate insurance coverage for all its fixed assets to cover any risk of fire breakout.

The management of TIGB is of the view that any power failure or black-out would not pose critical risks or have any material impact on the Group's operations.

(xviii) Related party transactions / conflict of interest

As disclosed in Section 13.1.2 of this Prospectus, one of the substantial shareholders of TIGB has interest in a company carrying on similar businesses as the TIGB Group. To mitigate any potential conflict of interest, the Promoters, Directors and/or substantial shareholders have provided written undertakings not to be involved in any other new businesses, that are similar and/or directly or indirectly in competition with or in conflict with the existing businesses of the TIGB Group in the future.

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4. INTRODUCTION

This Prospectus is dated 30 September 2003.

Approval has been obtained from the SC in respect of the flotation of TIGB on the Second Board of the KLSE on 6 June 2003, 22 September 2003 and 25 September 2003. The approval of the SC shall not be taken to indicate that the SC recommends the IPO and/or the flotation of TIGB on the KLSE. Investors should rely on their own evaluation to assess the merits and risks of any investments in the Company.

A copy of this Prospectus has been registered with the SC and lodged with the ROC and neither the SC nor the ROC takes any responsibility for its contents.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed TIGB Shares as a prescribed security. In consequence thereof, the 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 Acts and the Rules of MCD.

An application will be made to the KLSE within three (3) market days from the date of this Prospectus for admission to the Official List of the Second Board of the KLSE and for permission to deal in and the listing of and quotation for the entire issued and paid-up ordinary shares of TIGB, including the Public Issue Shares and Offer Shares which are the subject of this Prospectus, on the Second Board of the KLSE. These ordinary shares will be admitted to the Official List of the Second Board of the KLSE and official quotation will commence upon receipt of confirmation from the 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 for the quotation of the entire enlarged issued and fully paid-up ordinary shares of TIGB on the Second Board of the KLSE. Accordingly, monies paid in respect of any application accepted from the applications will be returned without interest if the said permission for listing is not granted within six (6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC) provided that the Company is notified by or on behalf of the KLSE within the aforesaid timeframe.

Pursuant to the Listing Requirements of KLSE, at least 25% of the issued and paid-up share capital of the Company must be held by a minimum number of 1,000 public shareholders holding not less than 100 shares each, upon completion of the Public Issue and at the point of listing. All the Shares held by the employees of the Company and Bumiputera investors for the purpose of compliance with the National Development Policy can make up the 25% public spread. In the event that the above requirement is not met pursuant to the Public Issue and Offer for Sale, the Company may not be allowed to proceed with its listing on the Second Board of the KLSE. In the event thereof, monies paid in respect of all applications will be returned if the said permission is not granted.

In the case of an application by way of Application Form, an applicant should state his/her CDS account umber in the space provided in the Application Form only if he/she presently has such an account. Where an applicant does not presently have a CDS account, he/she should state in the Application Form his/her preferred ADA Code. Where an applicant already has a CDS account, he/she should not complete the preferred ADA Code. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution by way of keying in his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the Public Issue Shares by way of Electronic Share Application.

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

4. INTRODUCTION *(cont'd)*

This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any Public Issue Shares or Offer Shares in any jurisdiction where such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the sale of the Public Issue Shares and Offer Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restriction.

The SC and KLSE assume no responsibility for the correctness of any of the statements made or opinions or reports expressed in this Prospectus. Admission to the Official List of the Second Board of the KLSE is not to be taken as an indication of the merits of TIGB or of its ordinary shares.

If you are in doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or any other professional adviser.

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5. SHARE CAPITAL

	RM
Authorised	
50,000,000 ordinary shares of RM1.00 each	50,000,000
Issued and fully paid-up as at the date of this Prospectus	
35,000,000 ordinary shares of RM1.00 each	35,000,000
To be issued as fully paid-up pursuant to the Public Issue	
5,000,000 ordinary shares of RM1.00 each	5,000,000
Enlarged issued and paid-up share capital	40,000,000
Offer for Sale	
7,000,000 ordinary shares of RM1.00 each	7,000,000
Offer/issue price per Share	1.40

The offer/issue price of the RM1.40 for each IPO Share is payable in full upon application.

There is only one class of shares in TIGB, 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 the Company in the future, the shareholders of ordinary shares in the Company shall, in proportion to the amount paid 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 in accordance with the Articles of Association of the Company.

Each ordinary shareholder of the Company 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 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.

6. DETAILS OF THE OFFER FOR SALE AND PUBLIC ISSUE

6.1 OPENING AND CLOSING OF APPLICATIONS

Applications will be accepted from 10:00 a.m. on 30 September 2003 and will close at 8:00 p.m. on 13 October 2003 or such other date and time as the Directors of TIGB and the Underwriter in their absolute discretion may decide. Late applications will not be accepted.

6.2 DATES OF SPECIAL EVENTS

Event		Date
Opening Date of the Offer for Sale / Public Issue	:	30 September 2003
Closing Date of the Offer for Sale / Public Issue	:	13 October 2003

Event		Tentative Date
Tentative Balloting Date	:	23 October 2003
Tentative Allotment Date	:	4 November 2003
Tentative Listing Date	:	10 November 2003

6.3 PURPOSES OF THE OFFER FOR SALE AND PUBLIC ISSUE

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

(i) The listing of TIGB Shares on the Second Board of the KLSE is expected to enhance the Group's corporate profile and assist the Group in expanding its customer base both in Malaysia and overseas;

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

(iii) To meet the present and future working capital requirements of the TIGB Group;

(iv) To provide an opportunity for the Malaysian investors (including Bumiputera investors and all eligible Directors, employees and business associates of TIGB Group) to participate in the equity and continuing growth of the Group; and

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

6.4 DETAILS OF THE OFFER FOR SALE AND PUBLIC ISSUE

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) Approved Bumiputera investors and institutions

4,000,000 Offer Shares will be reserved for Bumiputera investors and institutions approved by MITI;

(b) Private Placement

3,000,000 Offer Shares and 1,000,000 Public Issue Shares will be placed with Malaysian institutional investors and individual investors by the placement agent;

(c) Eligible Directors, Employees and Business Associates

2,000,000 Public Issue Shares have been reserved for eligible Directors, employees and business associates (comprising of customers and suppliers) of TIGB Group. The number of Shares allocated to each individual Director are set as below:-

No.	Name of Director	Designation	Numbers of Shares Allocated
1.	Song Kok Cheong	Managing Director	44,000
2.	Ng Chong You	Executive Director	44,000
3.	Yap Yee Kiean	Executive Director	44,000
		Total	**132,000**

The basis of allocation was based on the category of their employment, designation and length of service.

(d) Malaysian Public

2,000,000 Public Issue Shares will be made available for application by the Malaysian Public.

In the event that any of the Public Issue Shares in paragraph 6.4(c) above are not taken up by the eligible Directors, employees and business associates of TIGB Group, such Public Issue Shares will be made available for application by the Malaysian public and such Public Issue Shares shall be fully underwritten.

The Public Issue Shares under paragraph 6.4(c) and 6.4(d) above, have been fully underwritten by the Underwriter as set out in Section 1 of this Prospectus.

6. DETAILS OF THE OFFER FOR SALE AND PUBLIC ISSUE *(cont'd)*

6.5 BASIS OF ARRIVING AT THE OFFER/ISSUE PRICE

The offer/issue price of RM1.40 per IPO Share was determined and agreed upon by the Company and OSK, as the Adviser, Underwriter and Placement Agent, 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 2.4 and 15.1 of this Prospectus;

(ii) the industry outlook and the future plans and prospects of TIGB Group as outlined in Section 8 and Section 9 of this Prospectus;

(iii) the Group's proforma consolidated NTA per share after the IPO as set out in Section 2.8 and Section 15.11 of this Prospectus;

(iv) the fully diluted forecast net PE Multiple of 7.0 times based on the fully diluted forecast net EPS of 20 sen (before pre-acquisition profit) and the enlarged issued and paid-up share capital of 40,000,000 Shares;

(v) the fully diluted forecast net PE Multiple of 10.4 times based on the fully diluted forecast net EPS of 13 sen and the enlarged issued and paid-up share capital of 40,000,000 Shares; and

(vi) the forecast gross dividend yield of approximately 4.29%, based on the forecast gross dividend per share of TIGB of 6 sen for the financial year ending 31 March 2004.

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

6.6 UTILISATION OF PROCEEDS FROM THE RIGHTS ISSUE AND PUBLIC ISSUE

The Rights Issue and Public Issue are expected to raise gross proceeds of RM13.0 million for the TIGB Group whilst none of the gross proceeds of the Offer for Sale will be receivable by TIGB as the gross proceeds of the Offer for Sale amounting to RM9.8 million will accrue entirely to the Offerors. The Offerors shall bear all expenses relating to the Offer for Sale namely, the placement fee relating to the Offer for Sale which is estimated at RM52,500.

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 TIGB on the Second Board, estimated at RM1.6 million, shall be borne by the Company.

6. DETAILS OF THE OFFER FOR SALE AND PUBLIC ISSUE *(cont'd)*

Details of the utilisation of proceeds of the Rights Issue and Public Issue are as follows:

Purposes	Note	RM'000	Estimated Completion Date / Utilisation of Proceeds
Construction of new warehouse and factory cum office	(i)	6,000	September 2004
Acquisition of new machineries and laboratory equipments	(ii)	3,207	August 2004
Working capital	(iii)	2,193	
Estimated listing expenses	(iv)	1,600	October 2003
Total proceeds		**13,000**	

Note: Any variation in the actual listing expenses from the estimated amount will be adjusted to the working capital.

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

Notes:-

(i) *The Group has plans to relocate its existing factory in Petaling Jaya to a new factory to be built in Seri Kembangan, Selangor, on a piece of land measuring 1.1066 hectares (119,113 square feet) to facilitate the production of the Group's main products namely, gravure inks, flexographic inks and varnishes. The total cost of construction for the new factory is estimated at RM6.0 million and the construction work is expected to begin in October 2003. The approval was obtained on 24 July 2003 from the Municipal Council of Subang Jaya. The new factory increases the production output from current annual capacity of 4,700 tonnes to 7,000 tonnes.*

The proceeds for the construction of new factory is expected to be utilized by September 2004. Barring unforeseen circumstances, the new factory is expected to be operational in the fourth quarter of 2004.

(ii) *The factory machineries and laboratory equipments that have been identified to be purchased for the new factory are as follows:-*

	RM '000
Factory machineries	*3,144*
Laboratory equipments	*63*
Total	*3,207*

(iii) *Working capital*

The proceeds from the Public Issue and Rights Issue allocated for working capital requirements will be utilised to fund the Group's general working capital and administrative requirements.

(iv) *Details of the estimated listing expenses of RM1.6 million is set out in Section 6.9 of this Prospectus.*

6. DETAILS OF THE OFFER FOR SALE AND PUBLIC ISSUE *(cont'd)*

6.7 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEE

The Underwriter, as stated in Section 1 of this Prospectus has entered into an underwriting agreement on 12 September 2003 for the underwriting of 4,000,000 Public Issue Shares. In respect of the 2,000,000 Public Issue Shares which will be made available for application by the Malaysian public, underwriting commission of 1.75% of the offer/issue price of RM1.40 per Share is payable by the Company to the Underwriter. In respect of the 2,000,000 Public Issue Shares which will be made available for application by the eligible Directors, employees and business associates (comprising customers and suppliers) of TIGB Group, underwriting commission of 0.50% of the offer/issue price of RM1.40 per Share is payable by the Company to the Underwriter.

Brokerage relating to the Public Issue Shares is payable by the Company, at the rate of 1.00% on the offer/issue price of RM1.40 per Share in respect of successful applications bearing the stamp of either OSK, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

No brokerage is payable by the Company and the Offerors on the 4,000,000 Shares to be placed out by the Placement Agent. Placement fees are payable by the Offerors for the Offer Shares and the Company for the Public Issue Shares, at the rate of 1.25% of the offer/issue price of RM1.40 per Share. A management fee of RM10,000 is also payable by the Company.

6.8 DETAILS OF UNDERWRITING AGREEMENT

(Note: Unless otherwise stated, all capitalised terms should bear the same meanings as prescribed in the Underwriting Agreement.)

The obligations of the Underwriter hereunder and the obligations of the Company to carry out and complete the issue of the Underwritten Shares are conditional at the date hereof and at the Closing Date on the performance by the Company of its obligations under this Agreement and are also conditional upon:

(i) the listing of and quotation for the enlarged issued and paid-up capital of the Company on the Second Board of the KLSE having been approved in principle by the KLSE on terms acceptable to the Underwriter and remaining in full force and effect and that all conditions precedent (except for any which can only be complied with after the Offer for Sale and Public Issue has been completed) have been complied with;

(ii) all the approvals of SC, FIC and MITI remain in full force and effect and that all conditions precedent in the approvals (except for any which can only be complied with after the Public Issue has been completed) have been complied with;

(iii) the prospectus having been registered with the SC and lodged with the ROC;

(iv) there having been, on or prior to the Closing Date, no adverse change or any development reasonably likely to involve a prospective adverse change in the condition (financial or otherwise) of the Company from that set forth in the Prospectus which is material in the context of the Issue Shares, nor the occurrence of any event rendering untrue or incorrect to an extent which is material as aforesaid any representations or warranties contained hereof as though they had been given or made on such date;

(v) the issue, offering and subscription of the Issue Shares in accordance with the provisions hereof not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including the SC and the KLSE);

(vi) the issue of Prospectus not later than one (1) month from the date of this Agreement or such later date as the Underwriter and the Company may from time to time agree; and

(vii) the Public Issue being approved by the Shareholders of the Company at the Extraordinary General Meeting.

If any of the conditions set forth above are not satisfied, the parties herein shall, subject as mentioned subsequently in the Agreement, be entitled following prior consultation with the other party to this Agreement, to terminate this Agreement by notice given to the other not later than the Closing Date and in that event (except for the liability of the Company for the payment of the expenses as provided in clause 7 of the Agreement and any rights and liabilities of the Company and/or the Underwriter under clauses 4 or 5 of the Agreement) the parties hereto shall be released and discharged from their respective obligations hereunder provided that any party may at its discretion waive compliance with any provision of this conditions precedent clause and any condition so waived shall be deemed to have been satisfied.

Notwithstanding anything contained in the Agreement, the Underwriter may after consultation with the Company in such manner as the Underwriter shall reasonably determine by notice in writing to the Company given at any time before the Closing Date, terminate and withdraw its underwriting commitment if in the reasonable opinion of the Underwriter there shall have occurred, happened or come into effect any of the following circumstances:

(a) any material breach by the Company of any of the representations warranties or undertakings contained in clause 4 of the Agreement (which, if capable or remedy, is not remedied within 3 market days after notice of such breach shall have been given to the Company by the Underwriter or by the Closing Date, whichever is the earlier);

(b) any change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the abovementioned events or occurrences;

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

(d) any events or series of events beyond the reasonable control of the Underwriter including (without limitation) acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, sabotage, acts of God, acts of terrorism or accidents which has or is likely to have the effect of making any material part of the Agreement incapable of performance with its term or which prevents the processing of applications and/or payments pursuant to the Public Issue or pursuant to the underwriting of the 4,000,000 Public Issue Shares;

(e) there is failure on the part of the Company to perform any of its obligations contained in the Agreement; or

(f) there is withholding of information of a material nature from the Underwriter which is required to be disclosed pursuant to the agreement

which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have a material adverse effect on the business or operations of the Group taken as a whole or the success of the Public Issue and the Offer for Sale and the distribution or sale of the Public Issue Shares (whether in the primary market or in respect of dealings in the secondary market) or the listing of the Company on the Second Board of KLSE or market conditions generally or which has or is likely to have the effect of making any material part of the Agreement incapable or performance in accordance with its terms.

6. DETAILS OF THE OFFER FOR SALE AND PUBLIC ISSUE *(cont'd)*

Upon such notice being given, the Underwriter shall be released and discharged of their obligations without prejudice to its rights under the Agreement, and where the Underwriter has terminated or withdrawn its underwriting commitment pursuant to clause 8.1 of the Agreement, the Agreement shall be of no further force or effect and no party shall be under any liability to any other parties in respect of the Agreement, except that the Company shall remain liable in respect of any of their obligations and liabilities under clause 4 of the Agreement and under clause 7 of the Agreement for the payment of the costs and expenses already incurred up to the date on which such notice was given.

6.9 ESTIMATED LISTING EXPENSES

The estimated listing expenses of RM1.6 million for the proposed listing of and quotation for the enlarged issued share capital of TIGB comprising 40,000,000 Shares in TIGB on the Second Board of the KLSE are as follows:

	RM
SC processing fee	50,000
Initial listing fee payable to KLSE	5,000
Underwriting commission on Public Issue	63,000
Brokerage	28,000
Placement fee and management fee	80,000
Printing of Prospectus and forms and envelopes	200,000
Registration of Prospectus with SC and lodgement fee with ROC	5,500
Issuing house fee	100,000
Professional fees	600,000
Miscellaneous expenses	468,500
Total	**1,600,000**