

17. VALUATION CERTIFICATE

(Prepared for the inclusion in this Prospectus. This Valuation Certificate is to be read in conjunction with Section 14.2 of this Prospectus.)



KONSORTIUM PERUNDING HARTANAH SDN BHD

(278260-K)

PROPERTY INVESTMENT CONSULTANTS • VALUERS • ESTATE AGENTS • PROPERTY AND PROJECT MANAGERS

24 SEP 2003



The Board of Directors
Toyo Ink Group Berhad
Lot 8246, Jalan 225,
46100 Petaling Jaya,
Selangor Darul Ehsan.

Dear Sirs,

RE: OPEN MARKET VALUE OF

1. LOT NOS. 2788 & 2789, BANDAR BUTTERWORTH – SEKSYEN 3, DISTRICT OF SEBERANG PERAI UTARA, STATE OF PULAU PINANG.
2. LOT NO. 57765, MUKIM OF HULU KINTA, DISTRICT OF KINTA, STATE OF PERAK.
3. LOT NOS. 212808 & 212809, MUKIM OF HULU KINTA, DISTRICT OF KINTA, STATE OF PERAK.
4. LOT NO. PTD 64200, MUKIM OF TEBRAU, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR.
5. P. T. NO. 3477, MUKIM OF PETALING, DISTRICT OF PETALING, STATE OF SELANGOR.
6. LOT NO. 013814 (P. T. 9407), MUKIM OF DAMANSARA, DISTRICT OF PETALING, STATE OF SELANGOR.
7. L. O. 7 / 65 / SUB-JACKET / 21 / IND, MUKIM OF DAMANSARA, DISTRICT OF KLANG, STATE OF SELANGOR.
8. LOT NOS. 378 & 376, SECTION 32, BANDAR PETALING JAYA, DISTRICT OF PETALING, STATE OF SELANGOR.

This letter has been prepared for inclusion in the Prospectus of TOYO INK GROUP BERHAD to be dated 30 SEP 2003

In accordance with your instruction, we have valued the abovementioned properties vide our valuation report bearing Reference No. V02.019, V02.020, V02.021, V02.022, V02.023, V02.024, V02.025 and V02.026 dated 22nd August 2002, 27th August 2002, 10th September 2002, 17th September 2002 and 23rd September 2002 as per attached schedule. These reports and valuations were prepared for the purpose of submission to the Securities Commission.

The valuation has been carried out in accordance to the Guidelines on Asset Valuations issued by the Securities Commission and also the Manual of Valuation Standards issued by The Board of Valuers, Appraisers and Estate agents and with the necessary professional responsibility and due diligence.

17. VALUATION CERTIFICATE (cont'd)

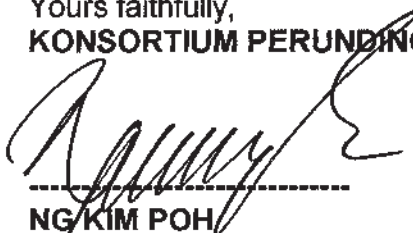
The basis of valuation is the Open Market Value as at 22nd August 2002, 27th August 2002, 10th September 2002, 17th September 2002 and 23rd September 2002 and we have used the Cost Approach, Investment and Comparison Methods of Valuation.

PROPERTY	OPEN MARKET VALUE
1. Lot Nos. 2788 & 2789, Bandar Butterworth – Seksyen 3, District of Seberang Perai Utara, State of Pulau Pinang.	RM 700,000.00
2. Lot No. 57765, Mukim of Hulu Kinta, District of Kinta, State of Perak.	RM 180,000.00
3. Lot Nos. 212808 & 212809, Mukim of Hulu Kinta, District of Kinta, State of Perak.	RM 520,000.00
4. Lot No. PTD 64200, Mukim of Tebrau, District of Johor Bahru, State of Johor.	RM 470,000.00
5. P. T. No. 3477, Mukim of Petaling, District of Petaling, State of Selangor.	RM 3,500,000.00
6. Lot No. 013814 (P. T. 9407), Mukim of Damansara, District of Petaling, State of Selangor.	RM 1,800,000.00
7. L. O. 7 / 65 / Sub-Jacket / 21 / Ind., Mukim of Damansara, District of Klang, State of Selangor.	RM 2,100,000.00
8. Lot Nos. 378 & 376, Section 32, Bandar Petaling Jaya, District of Petaling, State of Selangor.	RM 4,580,000.00
TOTAL	RM 13,850,000.00

In connection with this Prospectus, we are pleased to certify that the Open Market Value of the abovementioned properties is Ringgit Malaysia Thirteen Million Eight Hundred Fifty Thousand Only (RM 13,850,000.00)

The brief of the abovementioned properties is attached in a Schedule with this letter.

Yours faithfully,
KONSORTIUM PERUNDING HARTANAH SDN. BHD.



NG KIM POH
 B. Sc (Est. Man) IRRV, FISM, APEPS
 Registered Valuer (V-301)

17. VALUATION CERTIFICATE (cont'd)

SCHEDULE OF PROPERTIES

Property	Registered Owner/ Method of Valuation/ Date of Valuation	Title No./ Land Size/ Built-up area	Tenure/ Age of Property	Description/ Category of land use/ Occupation Status/ Building By-laws Compliance	Restrictions-in-interest	Encumbrances	Market Value (RM)
1. PN 1646 & 1647 Lot 2788 & 2789 Seksyen 3 Bandar Butterworth Daerah Seberang Perai Utara Negeri Pulau Pinang bearing postal address No. 46 & 48, Lorong Mak Mandin 5/1, Kawasan Perindustrian Mak Mandin, 13400 Butterworth, Penang.	Toyo Ink (Penang) Sdn. Bhd./ Comparison Method and Investment Method/ 22 August 2002	P. N. No. 1646 & 1647 respectively/ 4500 sq. ft./ 5700 sq. ft.	99 years leasehold interests expiring on 3rd May 2069, thus having about 67 years unexpired term/ 9 years	Two (2) adjoining units of 1 ½ storey terrace industrial buildings/ Industrial/ Owner occupied/ Yes	The land hereby leased shall not be transferred, charged or sub-leased without the prior written consent of the Governor in Council	Charged to United Overseas Bank (M) Bhd. vide Charge No. 442/2000 & 443/2000 Jilid 839 Folio 94 & 95 dated 19/01/2000	700,000.00
2. PM 3283 Lot 57765 Mukim Hulu Kinta Daerah Kinta, Negeri Perak bearing postal address No. 14 & 14A, Persiaran Kilang, Taman Pertama, Jelapang, Ipoh, Perak.	Toyo Ink Sdn. Bhd./ Comparison Method and Investment Method/ 22 August 2002	P. M. LM No. 3283/ 1680 sq. ft./ 3000 sq. ft.	99 years leasehold interests expiring on 9th January 2079, thus having about 77 years unexpired term/ 23 years	Two (2) storey terrace shophouse / shophot/ Owner occupied/ Yes	Property shall not be transferred, leased or charged without prior written consent from Menteri Besar Perak	Nil	180,000.00

17. VALUATION CERTIFICATE (cont'd)

<p>3. PN 142982 & 142983 Lot 212808 & 212809, Mukim Hulu Kinta, Daerah Kinta Negeri Perak bearing postal address No. 17 & 19, Dataran Kledang 4, Taman Perindustrian Chandan Raya, 31450 Menglembu, Ipoh, Perak</p>	<p>Toyo Ink (Perak) Sdn. Bhd./ Comparison Method and Investment Method/ 22 August 2002</p>	<p>P.N. 142982 and P.N. 142983/ 9000 sq. ft./ 6020 sq. ft.</p>	<p>90 years leasehold interests expiring on 3rd May 2084, thus having about 82 years unexpired term/ 7 years</p>	<p>Two (2) adjoining units of 1 ½ storey semi-detached industrial building/ Industrial (Perusahaan)/ Owner occupied/ Yes</p>	<p>1. Property shall not be transferred or leased without prior written consent from Menteri Besar Perak 2. Land cannot be sub-divided in accordance with Section 135 National Land Code without the consent from Menteri Besar Perak</p>	<p>Charged to Overseas Union Bank (M) Bhd by way of: - 1. Charge No. 16094/1995 Jilid 6301 Folio 6 dated 13/05/1995</p>	<p>520,000.00</p>
<p>4. HS(D) 208112 PTD 64200 Mukim Tebrau Daerah Johor Bahru Negeri Johor bearing postal address No. 8, Jalan Bayu 2/5, Taman Perindustrian Tampoi Jaya, Johor Bahru, Johor</p>	<p>Toyo Ink Sdn. Bhd./ Comparison Method and Investment Method/ 27 August 2002</p>	<p>H.S. (D) No. 208112/ 3091 sq. ft./ 2400 sq. ft.</p>	<p>Freehold/ 8 years</p>	<p>1 ½ storey terrace industrial building/ Industrial (Perusahaan)/ Owner occupied/ Yes</p>	<p>Property is not allow to be transferred for whatsoever reasons except upon commencement of building factory in accordance with plans approved by the relevant Local Authority</p>	<p>Nil</p>	<p>470,000.00</p>
<p>5. HS (M) 13715 PT 3477 Mukim/Daerah Petaling, Negeri Selangor, off Jalan 1 (Jalan Raya Tiga), Taman Serdang Jaya Industrial area, Seri Kembangan, Selangor.</p>	<p>Toyo Ink Sdn. Bhd./ Comparison Method/ 10 September 2002</p>	<p>H. S. (M) No. 13715/ 119,113 sq. ft./ Not Applicable</p>	<p>99 years leasehold interests expiring on 10th January 2089/ Not Applicable</p>	<p>Vacant Industrial Land/ Industrial/ Not occupied/ Not Applicable</p>	<p>Property shall not be sold, leased, charged or transferred without the written consent from the State Authority</p>	<p>Charged to United Overseas Bank (M) Berhad (previously Overseas Union Bank Limited) by way of: - 1. Charge No. 4385/1994, Jilid 248 Folio 96 dated 25/08/1994 2. Charge No. 3644/2003 dated 30/07/2003 3. Charge No. 3645/2003 dated 30/07/2003</p>	<p>3,500,000.00</p>

17. VALUATION CERTIFICATE (cont'd)

<p>6. HS(D) 23895 Lot 013814 (PT 9407), Mukim Damansara Daerah Petaling, Negeri Selangor bearing postal address No. 3, Jalan SS13/6B, Subang Jaya Industrial Estate, 47500 Subang Jaya, Selangor Darul Ehsan.</p>	<p>Toyo Photo Products Sdn. Bhd./ Comparison Method and Cost Method/ 17 September 2002</p>	<p>H.S. (D) 23895/ 11,300 sq. ft./ 9480 sq. ft.</p>	<p>Freehold/ 22 years</p>	<p>Industrial building with a two (2) storey office and single storey single factory annexe/ Industrial/ Owner occupied/ Building extensions (rear portion of the factory building) which are not approved by the relevant authorities</p>	<p>Nil</p>	<p>Charge to RHB Bank Berhad (previously Bank Utama (M) Berhad) by way of: - 1. Fixed and Floating Deed of Debenture dated 20/08/1986 *** (09/09/1986) 2. Fixed and Floating Deed of Debenture dated 16/10/1987 *** (29/10/1987) 3. Fixed and Floating Deed of Debenture dated 20/08/1986 *** (20/02/1988) 4. Fixed and Floating 3rd Deed of Debenture dated 28/05/1992 *** (09/06/1992) 5. Charge No. 11519/96 Jilid 18 Folio 161 dated 29/03/1996 *** (06/04/1996) 6. Fixed and Floating Debenture dated 05/02/1996 *** (02/08/1996) 7. Fixed and Floating Debenture dated 12/05/1998 *** (15/05/1998) 8. Fixed and Floating Debenture dated 11/02/1999 *** (25/02/1999)</p>	<p>1,800,000.00</p>
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17. VALUATION CERTIFICATE (cont'd)

7. HS (D) 50908 LO 7 / 65 / Sub-Jacket / 21 / Ind., Mukim Damansara, Daerah Klang Negeri Selangor bearing postal address Lot 21, Jalan Pahat 16/8A, 40000 Shah Alam, Selangor Darul Ehsan.	Toyo Dai-Nichi Ink Sdn. Bhd./ Comparison Method and Cost Method/ 17 September 2002	H.S. (D) 50908/ 24,950 sq. ft./ 13,704 sq. ft.	99 years leasehold interests expiring on 16th January 2067, thus having about 65 years unexpired term/ 28 years	Semi-detached Industrial building with a two (2) storey office and single storey single factory annexe/ Industrial/ Owner occupied/ Building extensions (rear portion of the factory building) approved as per architect certification.	Nil	Charged to Overseas Union Bank (M) Bhd by way of - 1. Charge No. 45373/95 Jilid 97 Folio 117 dated 22/09/1995	2,100,000.00
8. PN 4360 & 4371 Lot 376 & 378 Seksyen 32 Bandar Petaling Jaya, Daerah Petaling Negeri Selangor bearing postal address Lot 8244 Lorong 51/222B, and Lot 8246 Jalan 225, 46100 Petaling Jaya, Selangor Darul Ehsan.	Toyo Ink Sdn. Bhd./ Comparison Method and Cost Method/ 23 September 2002	P. N. Nos. 4360 and 4371 respectively/ 25,885 sq. ft./ 18,330 sq. ft.	87 and 86 years leasehold interests expiring on 23rd May 2065, thus having about 63 years unexpired term/ 20 and 12 years	Two (2) units of Industrial buildings with a two (2) storey office and single storey single factory annexe/ Industrial/ Owner occupied/ Building extensions (side and rear, as well as the connection between the factory building) which are not approved by the relevant authorities	Nil	PN 4360 Charge to RHB Bank Berhad (previously Bank Utama (M) Berhad) by way of - 1. Charge No. 21334/1983 Jilid 95 Folio 176 dated 10/11/1983 2. Charge No. 15121/1986 Jilid 224 Folio 132 dated 18/10/1986 3. Charge No. 3269/1986 Jilid 227 Folio 93 dated 03/03/1988 PN 4371 Charge to RHB Bank Berhad (previously Bank Utama (M) Berhad) by way of - 1. Charge No. 29250/1992 Jilid 93 Folio 124 dated 18/09/1992	4,580,000.00

18. INDEPENDENT MARKET RESEARCH REPORT

(Prepared for inclusion in this Prospectus)



24 SEP 2003

Taylor Nelson Sofres Malaysia Sdn Bhd
(19285-V)
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This Executive Summary Report has been prepared for inclusion in the Prospectus dated ~~20 SEP 2003~~ **30 SEP 2003** pursuant to the listing of TOYO INK SDN BHD on the Second Board of the Kuala Lumpur Stock Exchange ('KLSE').

This report has been prepared with the intention to provide an overview of the industry as well as the operations of the company within the industry. Taylor Nelson Sofres has conducted the research as an independent third party, basing its report on publicly available information and economic trends to indicate the future direction of the industry.

A handwritten signature in black ink, appearing to read 'S. Letchumanan', is written over a horizontal line. Below the signature is a dotted line.

SUPRAMANIAM LETCHUMANAN
Technical Design Director



INDEPENDENT REPORT (PRINTING INK INDUSTRY)

1. Business Overview

1.1 Introduction

Toyo Ink Sdn. Bhd. (TISB) is a licensed manufacturer of industrial printing ink. It operates in Malaysia with four subsidiary companies:

- Toyo Ink (Penang) Sdn. Bhd.
- Toyo Ink (Perak) Sdn. Bhd.
- Toyo Photo Products Sdn Bhd (TPPSB)
- Toyo Dai-Nichi Ink Sdn Bhd (TDNSB)

It also has a branch office in Johore. TISB's head office and production facilities are located in Selangor. The other offices handle sales and warehousing. Outside Malaysia, TISB has an associated company in Singapore and a distributor in Vietnam.

1.2 Main Products and Markets

TISB's main products are offset printing inks (sheet-fed and web-offset), gravure printing inks and flexographic inks. The principal markets it serves are printing and publishing industries and manufacturers of plastic, paper and corrugated packaging.

1.3 Financial Performance

Production and turnover data for TISB and TDNSB for 1998-2002 is given in Table 1 below.

Table 1: TISB & TDNSB: Production Throughput and Turnover

Year (31 March)	Throughput ('000 kgs)	% change	Turnover RM ('000)	% change
1998	4,039.8	-	31,930	-
1999	4,166.9	+ 3.1	35,964	+12.6
2000	4,862.0	+16.7	44,119	+22.7
2001	4,010.2	-17.5	39,196	-11.2
2002	4,445.7	+10.9	38,700	- 1.3



INDEPENDENT REPORT (PRINTING INK INDUSTRY)

Production peaked in 2000, declined in 2001 but recovered in 2002. Turnover also grew significantly to RM 44.1 million in 2000, but declined and stabilized subsequently to just below RM 40.0 million.

1.4 Workforce

TISB has a workforce of around 140 persons. The structure of the workforce in 2002 has change significantly since 1999 with a greater proportion of staff in the managerial and executive (Table 2)

Table 2: TISB: Employment, 1999 & 2002

Category	1999	%	2002 (Sept.)	%
Management and executive	19	13.6	54	38.3
Technical and supervisory	34	24.3	36	25.5
Clerical and others	48	34.3	19	13.5
Factory and general workers	39	27.9	32	22.7
Total	140	100.0	141	100.0

1.5 Support Activities

Quality control

TISB was awarded the MS ISO 9001:2000 status on 12 March 1999. It implements the quality control system with two sections. One section for inspection of packaging of incoming raw materials and also does final inspection of finished products. The other section performs in-process inspection.



INDEPENDENT REPORT (PRINTING INK INDUSTRY)

Research and development (R & D)

TISB has a R & D Section headed by an Executive Director and staffed with 8 chemists to carry out the following activities:

- Improvement and development of new formulations vis-à-vis customers' feedback;
- Continuing development of existing product and formulation; and
- Ensuring stability of product properties to maintain customer satisfaction.

Staff training

TISB has a structured training and development programme which includes both in-house training and external training.

1.6 Customers

Five customers of TISB were interviewed to gauge the company's performance and customer relations. The following was the principal feedback:

Interviews were conducted with the following customers:

- Union Plastics Sdn. Bhd.
- Advance Packaging Technology (M) Bhd..
- Percetakan Jiwa Baru Sdn. Bhd.
- Sime Rengo Packaging (M) Sdn. Bhd.
- New Straits Times Press (M) Bhd.

Positive capabilities identified include:

- On-time service delivery
- Professionalism of staff
- Product quality
- Availability of information
- Good customer relationship

The general comment is that TISB is a "very stable ink manufacturer".



INDEPENDENT REPORT (PRINTING INK INDUSTRY)

Some areas for improvement identified are:

- Requirement of more efficient technical support
- Requirement of expansion of facilities and machinery upgrading

TISB is already looking into these areas in its future plans.

1.7 Suppliers

The raw materials (pigments, resins, solvents and additives) used in the manufacture of ink have to be imported. TISB sources the supplies from local importers / distributors.

Interviews were conducted with the following suppliers:

- Bayer (M) Sdn. Bhd.
- Bayderm Trading (KL) Sdn. Bhd.
- Eng Leong Tin Can Manufacturer Co. Sdn. Bhd.
- Perusahaan Kimia Gemilang Sdn. Bhd.
- Maha Chemicals Sdn. Bhd.

As a customer they perceive TISB as:

- a good paymaster
- well organized in its purchasing activities
- having staffs who behave in a professional manner.

They also see TISB:

- as the biggest local printing ink producer (gravure and flexographic)
- as a fast growing company
- with potential to improve its market penetration and competitiveness



INDEPENDENT REPORT (PRINTING INK INDUSTRY)

1.8 Competitive positioning

Data available for 7 large manufacturers in Malaysia with a turnover of over RM10.0 million in 2000/2001 is provided in Table 3 below.

Table 3: Principal Manufacturers of Industrial Ink

Company	*2000/2001 Turnover (RM'000)
Multinationals	
DIC (M) Sdn Bhd. (Japan)	171,503
Toyochem Bhd. (Japan)	*136,274
SICPA (M) Sdn Bhd. (Switzerland)	*52,885
Coates Brothers (M) Sdn Bhd. (Japan)	49,509
Sakata Inx (M) Sdn Bhd.(Japan)	31,115
Local	
Toyo Ink Sdn Bhd (TISB)	52,957**
IPI Sdn. Bhd.	11,058

Source: Based on available data from Registrar of Companies and company annual reports. Since 2000 and 2001 data are not directly comparable, the presentation is purely for indicative purposes.

** At Group level

As can be seen, foreign firms dominate the market, especially the Japanese. However, in terms of turnover, TISB's performance is better than some of the multinationals.



INDEPENDENT REPORT (PRINTING INK INDUSTRY)

2. Future Prospects

2.1 Demand

The intermediate demand for printing ink is principally from the printing and publishing industry and paper and plastics packaging industries. Available evidence shows that there are approximately 3,500 licensed printers in the country with a market demand of about RM8 billion. It has also been noted that the plastic industry is expected to grow between 7% and 8% in 2002, with a total turnover estimated at about RM9.1 billion. Accordingly the domestic printing ink industry has been growing at about 12% in the 1990s, but had slowed down somewhat after the 1997 economic crisis.

The final demand by consumers is printed matter and packaged goods 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 is likely to increase due to:

- Increased per capita income 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

2.2 Electronic Media

Although in recent years, the potential media and data processing by 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.



INDEPENDENT REPORT (PRINTING INK INDUSTRY)

2.3 AFTA

With the implementation of AFTA in the near future, the industry has to anticipate the entry of foreign players. Currently, there is an imposition of 35% tax (import tax and sales tax). With the implementation of AFTA, and lifting of import tax, more price war is anticipated in the market. Some companies are looking at cutting labour cost and also, the trend of merger of ink manufacturers to increase financial and technology resources has been noted.

2.4 Critical Issues

Currently, the competition in the printing ink industry in Malaysia is said to be circulated around the following issues:

- Product pricing
- Product development – R&D
- Product quality – dependant on quality of raw material
- Customer service – technical support, quick delivery, minimum waiting time

2.5 TISB Group Future Plans

For the TISB 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 sq. feet land in Seri Kembangan, Selangor to facilitate the production of their main products namely, gravure ink, flexographic ink and varnishes. The group plans to commence operation in fourth quarter 2004, upon completion of the new factory in September 2004.¹

¹ Based on latest information from Toyo Ink Sdn. Bhd.



INDEPENDENT REPORT (PRINTING INK INDUSTRY)

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 customer's 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.



INDEPENDENT REPORT (PRINTING INK INDUSTRY)



3. Conclusion

TISB has developed to be an important player in the domestic market for industrial printing ink. The market however is dominated by multinationals and further competition is expected with the implementation of AFTA. Fully realizing this, TISB has mapped out future plans to strengthen its position in the market.

19. **DIRECTORS' REPORT**

(Prepared for inclusion in this Prospectus)



TOYO INK GROUP BERHAD

(Company No. : 590521-D)

Lot 8246, Jalan 225, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel : 03-7955 7100 Fax : 03-7957 3685 & 7954 0058

Date: 24 September 2003

Registered Office:
Lot 4.100, Tingkat 4
Wisma Central
Jalan Ampang
50450 Kuala Lumpur

The Shareholders,
TOYO INK GROUP BERHAD

On behalf of the Board of Directors of Toyo Ink Group Berhad ("TIGB"), I wish to report after due inquiry, that during the period from 31 March 2003 (being the date to which the last audited financial statements of TIGB and its subsidiaries ("TIGB Group") have been made up) to 23 September 2003 (being a date not earlier than 14 days before the issue of this Prospectus), that:-

- (a) the business of TIGB Group has, in the opinion of the Board of Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen which have materially and adversely affected the business and operation or value of the assets of TIGB Group;
- (c) the current assets of TIGB Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in Section 15.4(iv) of this Prospectus, no contingent liabilities have arisen by reason of any guarantee or indemnities given by TIGB Group;
- (e) there has been no defaults or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which the Board is aware of; and
- (f) save as disclosed in the Proforma Consolidated Balance Sheets, in Section 15.11 of this Prospectus, there have been no changes in the published reserves or any unusual factors affecting the profit of TIGB Group since the last audited financial statements of TIGB Group.

Yours faithfully,
On behalf of the Board of Directors
TOYO INK GROUP BERHAD


SONG KOK CHEONG
MANAGING DIRECTOR