

1. CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name	Designation	Address	Nationality
Datuk Ng Teck Fong	Executive Chairman	No. 2, Jalan SS2/15 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian
Datin Nonadiah Binti Abdullah	Independent Non-Executive Director	No. 6, Jalan 10/12 46000 Petaling Jaya Selangor Darul Ehsan	Malaysian
Raja Dato' Seri Aman Bin Raja Haji Ahmad	Independent Non-Executive Director	No. 12, Jalan 1 Taman T.A.R 68000 Ampang Selangor Darul Ehsan	Malaysian
Ng Yih Pyng	Managing Director	No. 2, Jalan SS2/15 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian
M Chareon Sae Tang @ Tan Whye Aun	Independent Non-Executive Director	No. 23, Jalan SS1/38 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian
Lau Tiang Hua	Independent Non-Executive Director	11-1-2, Jalan Concordia The Ascot 10250 Georgetown Pulau Pinang	Malaysian
Ng Yih Chen	Executive Director	No. 29, Jalan USJ 4/4B UEP Subang Jaya 47600 Subang Jaya Selangor Darul Ehsan	Malaysian
Ng Sheau Chyn	Executive Director	No. 2, Jalan SS2/15 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian
Ng Sheau Yuen	Executive Director	No. 2, Jalan SS2/15 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian
Choong Chow Mooi	Executive Director	No. 2, Jalan SS2/15 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian

1. CORPORATE INFORMATION (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Lau Tiang Hua	Chairman	Independent Non-Executive Director
M Chareon Sae Tang @ Tan Whye Aun	Member	Independent Non- Executive Director
Ng Yih Pyng	Member	Managing Director

COMPANY SECRETARIES :

Tan Enk Purn (MAICSA 7045521)
 Suite 13A-2, Menara Uni.Asia
 1008 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Tel: 03-2697 7611

Teoh Kok Jong (LS 04719)
 Suite 13A-2, Menara Uni.Asia
 1008 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Tel: 03-2697 7611

REGISTERED OFFICE :

Suite 13A-2, Menara Uni.Asia
 1008 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Tel: 03-2697 7611

HEAD/MANAGEMENT OFFICE :

8-1, Jalan 2/131A
 Project Jaya Industrial Estate
 Batu 6, Jalan Kelang Lama
 58200 Kuala Lumpur
 Tel: 03-7784 8136
 Website: www.tomei.com.my
 E-mail address: tomei@po.jaring.my

REPORTING ACCOUNTANTS :

BDO Binder (AF 0206)
 12th Floor, Menara Uni.Asia
 1008 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Tel: 03-2616 2888

AUDITORS :

For TGJ (MJ), SRT, TGJ (SA), TGJ (Subang), TGJ (IOI), TGJ (WM), TGJ (SK), TGJ (KL), TGJ (RW), J&G and Soon Hin:

Lim Hoon Nam & Co (AF 0057)
 Suite D24, 2nd Floor, Plaza Pekeliling
 No.2, Jalan Tun Razak
 50400 Kuala Lumpur
 Tel: 03-4042 7843

1. CORPORATE INFORMATION (Cont'd)

- AUDITORS (Cont'd)** : For TGJ (B):
- Ernst & Young
Room 309A, 3rd Floor
Wisma Jaya
Jalan Pemancha
Bandar Seri Begawan BS8811
Brunei Darussalam
Tel: 673-223 9139/ 673-223 9142
- For companies other than those audited by Lim Hoon Nam & Co and Ernst & Young:
- BDO Binder (AF 0206)
12th Floor, Menara Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2616 2888
- SOLICITORS FOR THE LISTING** : Lee Choon Wan & Co
No. 12, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2093 0078
- PRINCIPAL BANKERS** : United Overseas Bank (Malaysia) Bhd (271809-K)
Level 2, Menara UOB
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 03-2692 7722
- RHB Bank Berhad (6171-M)
2nd Floor, 58-60
Jalan Bukit Bintang
55100 Kuala Lumpur
Tel: 03-2144 5351
- INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS** : Vital Factor Consulting Sdn Bhd (266797-T)
75C & 77C, Jalan SS22/19
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7728 0248
- PROFESSIONAL VALUERS** : C H Williams Talhar & Wong Sdn Bhd (18149-U)
32nd Floor, Menara Tun Perak
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 03-2693 8888

1. CORPORATE INFORMATION (Cont'd)

ISSUING HOUSE	:	MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H) 12th Floor Bangunan MIDF 195A, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2161 3355 Website: www.midfccs.com
REGISTRAR	:	Bina Management (M) Sdn Bhd (50164-V) Lot 10, The Highway Centre Jalan 51/205 46050 Petaling Jaya Selangor Darul Ehsan Tel:03-7784 3922
ADVISER, SOLE PLACEMENT AGENT, MANAGING UNDERWRITER AND UNDERWRITER	:	Aseambankers Malaysia Berhad (15938-H) 33rd Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel: 03-2059 1888
UNDERWRITERS	:	Hwang-DBS Securities Berhad (14389-U) Suite 23A-01, 23A Floor Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel: 03-2143 7888 Mercury Securities Sdn Bhd (113193-W) Lot 6-05, Level 6 Tower Block Menara Milenium 8, Jalan Damanela Bukit Damansara 50490 Kuala Lumpur Tel: 03-2094 2828
CO-ORDINATOR	:	WYNCORP Advisory Sdn Bhd (632322-H) Suite 50-5-3A, Level 5 Wisma UOA Damansara 50, Jalan Dungun Damansara Heights 50490 Kuala Lumpur Tel: 03-2096 2286
LISTING SOUGHT	:	Second Board of Bursa Securities
SYARIAH STATUS	:	Approved by the Syariah Advisor Council of the SC

2. INFORMATION SUMMARY

THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT OUR GROUP AND IS EXTRACTED FROM THE FULL TEXT OF THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THIS SECTION TOGETHER WITH THE WHOLE PROSPECTUS BEFORE YOU DECIDE WHETHER TO INVEST IN US.

2.1 History And Business

Our Company was incorporated in Malaysia on 28 May 2005 under the Act as a private limited company under the name Tomei Consolidated Sdn Bhd. On 17 August 2005, we were converted into a public company and assumed our present name. Our principal activity is investment holding.

Our Group is an integrated manufacturer and retailer of jewellery. Our Group's principal business activities are as follows:

- (i) design and manufacturing of jewellery;
- (ii) retailing of jewellery; and
- (iii) refining of gold and silver.

Other secondary business activities of our Group comprises:

- (i) trading of gold bars and gemstones; and
- (ii) property investment.

Our Group has its own design team, a manufacturing plant located in Kuala Lumpur, Malaysia and a distribution network comprising 39 retail outlets and 1 retail kiosk throughout Peninsular Malaysia.

Items designed and manufactured in-house are as follows:

- (i) Jewellery
 - gemstone jewellery;
 - gold jewellery (including yellow and white gold); and
 - platinum jewellery.
- (ii) Gold and silver chains
 - casting chains;
 - meter chains; and
 - others (include value-added chains and basic chains).

Our Group obtained approval as a registered franchisor of jewellery retail outlets and jewellery under the names of "Tomei", "My Diamond" and "TH Jewelry" from the Ministry of Entrepreneur and Co-Operative Development. The registration has been effective since 22 February 2005.

We have also obtained a sub-licence for the "Baby Looney Tunes" character jewellery from Warner Bros. Consumer Products Inc., United States of America. Under this licence, our Group is allowed to manufacture, distribute and sell products under the Baby Looney Tunes copyrighted characters within Malaysia.

Our Group comes with an extensive track record with 38 years of history since the commencement of its operations. As a result, our Group has developed a market reputation as an established player in the jewellery industry.

2. INFORMATION SUMMARY (Cont'd)

In line with our Group's emphasis and commitment on quality, our Group is certified with the ISO accreditations in Quality Management Systems for our retailing of jewellery from Lloyd's Register Quality Assurance Kuala Lumpur. The valid period is between 23 September 2003 and 30 September 2006.

The ISO Quality Management Standards encompass the following:

- (i) ISO 9001:2000;
- (ii) EN ISO 9001:2000;
- (iii) BS EN ISO 9001:2000; and
- (iv) MS ISO 9001:2000.

Some of the key achievements and recognitions received by our Group are as follows:

- (i) In 2001, our Group manufactured and sponsored the crown used in the Miss Malaysian World 2001 beauty pageant. This was the most expensive crown used in a beauty pageant and was recorded in the Malaysia Book of Records in 2001;
- (ii) Rank ninth in the Golden Bull Awards in 2003;
- (iii) SMI-Digi ICT Adoption Awards of Certificate of Achievement in SMI Recognition Awards Series 2003 by SMI Malaysia;
- (iv) Fair Price Shop Awards 2003 by the Ministry of Domestic Trade and Consumer Affairs;
- (v) Golden Earl Awards of Global Top Enterprise in 2004 by Chinese Enterprise Development Association, China;
- (vi) Superbrand Status 2003/2004 by Superbrands Malaysia;
- (vii) Fair Price Shop Awards 2005-2006 awarded by the Ministry of Domestic Trade and Consumer Affairs; and
- (viii) Fair Price Shop Excellence Awards 2005-2006 awarded by the Ministry of Domestic Trade and Consumer Affairs.

Further details on our history and business are set out in Section 5 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)

2.2. Financial Highlights

We have prepared a table which is a summary of our proforma consolidated results for the past three (3) FYE 31 December 2005 for illustrative purposes on the assumption that our Group has been in existence throughout the years under review.

This table should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information set out in Section 10.13 of this Prospectus.

	←-----Audited-----→		
	←-----FYE 31 December-----→		
	2003	2004	2005
	RM'000	RM'000	RM'000
Revenue	124,188	146,985	161,659
Gross profit	38,109	48,361	54,607
EBIDTA	14,008	17,733	20,198
Interest expense	(2,008)	(2,622)	(3,178)
Depreciation	(1,465)	(1,765)	(2,065)
PBT	10,535	13,346	14,955
Tax expense	(3,282)	(3,362)	(3,779)
PAT	7,253	9,984	11,176
MI	-	-	(120)
PAT and MI	7,253	9,984	11,056
Gross profit margin (%)	30.69	32.90	33.78
Net profit margin (%)	5.84	6.79	6.91
No. of TCB Shares assumed in issue ('000)	126,000	126,000	126,000
Basic gross EPS (sen)	8.36	10.59	11.77
Basic net EPS (sen)	5.76	7.92	8.77

Notes:

- (1) *There were no amortisation, share of profits of associated companies and joint ventures, exceptional items and extraordinary items during the financial years under review*
- (2) *Tax expense has been adjusted for any under or overprovision of tax in the respective financial years, where relevant*
- (3) *The gross profit margin is computed by dividing the gross profit by revenue earned in the respective financial years*
- (4) *The net profit margin is computed by dividing the PAT by revenue earned in the respective financial years*
- (5) *The proforma gross EPS is computed by dividing the PBT and after MI by the number of ordinary shares assumed in issue of 126,000,000 TCB shares*
- (6) *The proforma net EPS is computed by dividing the PAT and MI by the number of ordinary shares assumed in issue of 126,000,000 TCB shares*
- (7) *All significant inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only*

Please refer to Sections 10.1, 10.2 and 10.3 of this Prospectus for more details on the proforma consolidated results of TCB Group for the past three (3) FYE 31 December 2005.

2. INFORMATION SUMMARY (Cont'd)

2.3 Proforma Consolidated Balance Sheets As At 31 December 2005

We have prepared our proforma consolidated balance sheets below for illustrative purpose only, based on the audited balance sheets of TCB and its subsidiaries as at 31 December 2005 to show the effects of our Listing Scheme and the use of proceeds arising from the Public Issue on the assumption that the transactions were completed on 31 December 2005. We advise you to read the proforma consolidated balance sheets together with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information set out in Section 10.13.

	(1)	(2)	(3)	(4)
	As At 31 December 2005 RM'000	After (1) And Revaluation/ Disposal of Properties And Acquisitions And Disposals RM'000	After (2) And Public Issue RM'000	After (3) and Use Of Proceeds RM'000
Property, plant and equipment	-	15,950	15,950	16,950
Investment properties	-	1,981	1,981	1,981
Investment properties under development	-	420	420	420
Deferred tax assets	-	276	276	276
Goodwill on consolidation	-	252	252	252
Deferred expenditure	821	821	821	-
CURRENT ASSETS				
Inventories	-	97,284	97,284	97,284
Trade receivables	-	9,714	9,714	9,714
Other receivables, deposits and prepayments	8	8,125	8,125	8,125
Tax recoverable	-	488	488	488
Fixed deposits with licensed banks	-	8,180	8,180	8,180
Cash and bank balances	*	14,197	28,075	24,575
	8	137,988	151,866	148,366
CURRENT LIABILITIES				
Trade payables	-	18,987	18,987	18,987
Other payables and accruals	843	5,408	5,408	4,587
Amount owing to Directors	-	2,439	2,439	2,439
Borrowings	-	55,841	55,841	55,841
Taxation	-	818	818	818
	843	83,493	83,493	82,672
NET CURRENT (LIABILITIES)/ ASSETS	(835)	54,495	68,373	65,694
	(14)	74,195	88,073	85,573
Share capital	*	55,696	63,000	63,000
Share premium	-	-	6,574	4,074
Reserve on consolidation	-	11,567	11,567	11,567
Accumulated loss	(14)	(14)	(14)	(14)
Share capital and reserves	(14)	67,249	81,127	78,627
Minority interest	-	206	206	206
NON CURRENT AND DEFERRED LIABILITIES AND INCOME				
Borrowings	-	5,848	5,848	5,848
Deferred taxation	-	871	871	871
Deferred income	-	21	21	21
	(14)	74,195	88,073	85,573
NTA/(Net liabilities) (RM'000)	(14)	66,997	80,875	78,375
No. of TCB Shares	4	111,392,000	126,000,000	126,000,000
NTA/(Net liabilities) per TCB share (RM)	(3,475.50)	0.60	0.64	0.62

Note:

* Represents RM2

2. INFORMATION SUMMARY (Cont'd)

2.4 Auditors' Qualifications

Our financial statements have been reported by our auditors without any qualification for the past three (3) FYE 31 December 2005. For FYE 31 December 2003, the auditors' report contained an emphasis of matter on GPMI's ability to continue as a going concern as GPMI had negative shareholders' equity.

2.5 Risk Factors

Before investing in our TCB Shares, you should carefully consider, along with other matters in this Prospectus, the risks and investment considerations below. The following is only a summary of the risks and investment considerations and is not an exhaustive list of challenges that we currently face or may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on our TCB Shares or us.

- (a) Fluctuations in the price of gold;
- (b) Competition from local and global players;
- (c) Dependence on skilled craftsmen and designers;
- (d) Seasonality;
- (e) Threat of substitute product;
- (f) Gold and its investment appeal;
- (g) Implementation of AFTA;
- (h) Risk associated with security and operational risks;
- (i) Insurance coverage on our Group's assets;
- (j) Marketability of our TCB Shares;
- (k) Ownership and control of our Group;
- (l) Key management and key personnel;
- (m) Protection of intellectual property;
- (n) Domestic borrowings;
- (o) Restrictive covenants under facility agreement;
- (p) Cross default risks on borrowings agreements;
- (q) Foreign exchange fluctuations;
- (r) Government control and regulation;
- (s) Political, social and economic considerations;
- (t) Profit forecast;
- (u) Failure/delay in the listing; and
- (v) Forward-looking statements.

Details of the risk factors are set out in Section 4 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)

2.6 Consolidated Profit Forecast And Dividend Forecast

2.6.1 Consolidated Profit Forecast

Our Directors forecast that our consolidated PAT for the FYE 31 December 2006 will be as follows:

	Forecast Before FRS 3 FYE 2006 RM'000	Excess Of Net Fair Value Over Cost Of Combination Pursuant To FRS 3 RM'000	Forecast After FRS 3 FYE 2006 RM'000
Revenue	192,298		192,298
Consolidated PBT	19,279	11,567 ⁽²⁾	30,846
Tax expense	(4,283)		(4,283)
Consolidated PAT	14,996 ⁽¹⁾		26,563
MI	(120)		(120)
Consolidated PAT and MI	14,876		26,443

Enlarged number of TCB Shares assumed in issue ('000)	126,000	126,000
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Based on enlarged number of TCB Shares assumed in issue

Gross EPS (sen)	15.21	24.39
Net EPS (sen)	11.81	20.99
Gross PE Multiple based on the Issue/Offer Price per TCB Share (times)	6.25	3.90
Net PE Multiple based on the Issue/Offer Price per TCB Share (times)	8.04	4.53

Notes:

- (1) Inclusive of the disposal of a leasehold land and building by a subsidiary which is expected to result in a gain on disposal of approximately RM1.27 million
- (2) Our Group will adopt FRS 3 Business Combinations which requires all business combinations to be accounted for by applying the purchase method. In accordance with FRS 3, if the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceeds the cost of combination, the excess is recognised immediately in income statement after reassessing the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination. The adoption of the accounting policy will result in an excess of approximately RM11.57 million being recognised in the income statement assuming that the acquisitions of the subsidiary companies are completed on 1 January 2006

The principal bases and assumptions underlying the consolidated profit forecast are set out in the appendix accompanying the Reporting Accountants' Letter on the Consolidated Profit Forecast as set out in Section 10.9 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.6.2 Dividend Forecast

The following table sets out a summary of the dividend forecast for the FYE 31 December 2006:

	Dividend Forecast For The FYE 2006
Gross dividend per TCB Share (sen)	5.00
Net dividend per TCB Share (sen)	3.60
Gross dividend yield based on the Issue/Offer Price per TCB Share (%)	5.26
Net dividend yield based on the Issue/Offer Price per TCB Share (%)	3.79
Gross dividend cover (times)	4.88
Net dividend cover (times)	5.83

Details of the dividend forecast are set out in Section 10.11 of this Prospectus.

2.7 Proforma Consolidated NTA

	RM'000	NTA Per TCB Share RM
Proforma Consolidated NTA as at 31 December 2005 (after incorporating the effects of our Listing Scheme and after deducting estimated listing expenses)	78,375	0.62

Detailed calculation of our Proforma Consolidated NTA is set out in Section 10.13 of this Prospectus.

2.8 Principal Statistics Relating To The Public Issue And Offer For Sale

2.8.1 Share Capital

	RM
Authorised:	
200,000,000 ordinary shares of RM0.50 each	<u>100,000,000</u>
Issued and fully paid-up:	
111,392,000 ordinary shares of RM0.50 each	55,696,000
To be issued pursuant to the Public Issue	
14,608,000 new ordinary shares of RM0.50 each	<u>7,304,000</u>
Enlarged issued and paid-up share capital upon Listing	<u>63,000,000</u>
To be offered pursuant to the Offer for Sale:	
37,800,000 ordinary shares of RM0.50 each	18,900,000

2. INFORMATION SUMMARY (Cont'd)

2.8.2 Issue/Offer Price Per TCB Share (RM) 0.95

2.8.3 Class Of Securities

We have only one class of shares, namely ordinary shares of RM0.50 each, all of which rank equally with one another. The Issue Shares and Offer Shares will rank equally in all respects with our other existing TCB Shares including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of this Prospectus.

Details of the IPO are set out in Section 3 of this Prospectus.

2.9 Use Of Proceeds

The gross proceeds arising from the Public Issue estimated to be approximately RM13.878 million would be used by our Group in the following manner:

Particulars	RM'000	Expected Time Frame For Use Of Proceeds After The Listing
1. Acquisition of machineries	1,000	12 months
2. Branch expansion	4,000	12 months
3. Working capital	6,378	12 months
4. Estimated listing expenses	2,500	3 months
Total	13,878	

The net proceeds from the Public Issue is approximately RM11.378 million after deducting RM2.5 million in respect of expenses and fees incidental to the Listing which is borne by us. No part of the gross proceeds which amount to approximately RM35.91 million arising from the Offer for Sale is receivable by us. The gross proceeds from the Offer for Sale shall accrue entirely to the Offeror. The Offeror shall bear the stamp duty and other charges relating to the Offer for Sale.

Details of the use of proceeds are set out in Section 3.7 of this Prospectus.

2.10 Syariah Status

TCB has voluntarily submitted an application to the SC for a Syariah compliance review to be carried out by the SAC of the SC as part of the process of determining our Syariah status at IPO.

The SAC of the SC has classified TCB Shares as Syariah-compliant based on the proforma consolidated results for the FYE 31 December 2004 and the Syariah criteria adopted by the SAC of the SC.

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3. PARTICULARS OF THE IPO

This Prospectus is dated 23 June 2006.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Forms with the ROC and neither the SC nor the ROC takes any responsibility for their contents.

We have received the SC's approval on 27 March 2006 in respect of the IPO.

An application will be made to the Bursa Securities within three (3) market days from the date of this Prospectus for admission to the Official List of the Second Board of the Bursa Securities and for permission to deal in and for the listing of and quotation for the entire issued and paid-up ordinary shares of RM0.50 each in TCB including the Issue Shares and Offer Shares, which are the subject of this Prospectus. These TCB Shares will be admitted to the Official List of the Second Board of the Bursa Securities and official quotation will commence after the receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed TCB Shares as a prescribed security. Therefore, we will deposit the Issue Shares and Offer Shares directly with Bursa Depository. Any dealings in TCB Shares will be carried out in accordance with the aforesaid Act and the Rules of Bursa Depository. We will not issue share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25% of our issued and paid-up share capital must be in the hands of public shareholders and a minimum number of 1,000 public shareholders holding not less than 100 shares each upon completion of the Public Issue and Offer for Sale. We expect to achieve this at the point of Listing. If we do not meet the public shareholding requirement, we may not be allowed to proceed with the Listing. In such an event, we will return in full, without interest, monies paid in respect of all applications.

Acceptance of the Applications will be conditional upon permission being granted by Bursa Securities to deal in and for the listing of and quotation for our entire issued and fully paid-up share capital on the Second Board of Bursa Securities. 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 our Company is notified by or on behalf of Bursa Securities within the aforesaid timeframe. If any such monies are not repaid within 14 days after TCB becomes liable to repay it, the provision of sub-section 52(2) of the SC Act shall apply accordingly.

You should have a CDS account. If you apply by way of Application Form, you should state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you should open a CDS account at an ADA. If you apply by way of Electronic Share Application, you must be an individual and have a CDS account. You should then furnish your CDS account number to the Participating Financial Institution by keying in your CDS account number, as instructed on the ATM screen. In the case of an Application by way of Internet Share Application, you can make an Application only if you have CDS account and an existing account with access to the Internet financial services facilities with the Internet Participating Financial Institution by way of keying in your CDS account number into the online application form. If you are a corporation or institution, you cannot apply for the Issue Shares by way of Electronic Share Application or Internet Share Application.

You should rely only on the information contained in this Prospectus. We or our advisers have not authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus.

3. PARTICULARS OF THE IPO (Cont'd)

The distribution of this Prospectus and the sale of the Issue Shares and/or Offer Shares are subject to Malaysian law. Aseambankers and us take no responsibility for the distribution of this Prospectus and/or sale of the Issue Shares and/or Offer Shares outside Malaysia which may be restricted by law in other jurisdiction. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restriction. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or invitation of an offer to buy any Issue Shares and Offer Shares in any jurisdiction and in any circumstance in which such an offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such an offer or invitation.

You should rely on your own evaluation to assess the merits and risks of the IPO and an investment in us. In considering the investment, if you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

3.1 Opening And Closing Of Applications

The Application will be accepted from 10.00 a.m. on 23 June 2006 and will remain open until 5.00 p.m. on 29 June 2006 or for such further period or periods as our Directors and/or the Offeror together with the Managing Underwriter in their absolute discretion may mutually decide.

3.2 Dates Of Special Events

Opening date of the Application	:	23 June 2006
Closing date of the Application	:	29 June 2006
Tentative Balloting Date	:	3 July 2006
Tentative Allotment Date	:	7 July 2006
Tentative Listing Date	:	12 July 2006

Our Directors and/or the Offeror together with the Managing Underwriter may mutually decide, at their absolute discretion to extend the closing date and time for Applications for the IPO. We will announce any extension of time on the closing date of the Application in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia. If the closing date is extended, the dates of the allotment for the Issue Shares and Offer Shares and our Listing will be extended accordingly.

3.3 Purposes Of The IPO

The purposes of the IPO are as follows:

- (i) To enable us to have access to the capital market to raise funds to finance future growth and expansion of our Group;
- (ii) To enable our Group to gain recognition and certain stature through Listing status and further enhance its corporate reputation and assist our Group in expanding its customer base;
- (iii) To provide an opportunity for the Malaysian Public, institutional investors and our employees to participate in the continuing growth of our Group; and
- (iv) To enable us to meet the National Development Policy ("NDP") requirement of 30% Bumiputera shareholding in our Company upon the Listing.

3. PARTICULARS OF THE IPO (Cont'd)**3.4 Number And Type Of Securities To Be Issued/Offered**

	RM
<i>Authorised:</i>	
200,000,000 ordinary shares of RM0.50 each	<u>100,000,000</u>
<i>Issued and fully paid-up:</i>	
111,392,000 ordinary shares of RM0.50 each	55,696,000
<i>To be issued pursuant to the Public Issue</i>	
14,608,000 new ordinary shares of RM0.50 each	<u>7,304,000</u>
<i>Enlarged issued and paid-up share capital upon Listing</i>	<u>63,000,000</u>
<i>Market capitalisation upon Listing based on the Issue/Offer Price</i>	<u>119,700,000</u>
<i>To be offered pursuant to the Offer for Sale:</i>	
37,800,000 ordinary shares of RM0.50 each	18,900,000

We have only one class of shares in our Company, namely, ordinary shares of RM0.50 each, all of which rank equally with one another. Our Issue Shares and Offer Shares will rank equally in all respects with our other existing issued and paid-up ordinary shares 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 our Company in the future, the holders of ordinary shares in our Company shall, in proportion to the amount paid-up on the ordinary shares held by them, be entitled to share in the whole of the profits paid out by our Company as dividends, distributions and the whole of any surplus in the event of liquidation of our Company in accordance with our Articles of Association.

Each ordinary shareholder shall be entitled to vote at any general meeting of our Company in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may not need to be a member of our Company and the provisions of section 149(1)(b) of the Act shall not apply to our Company.

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3. PARTICULARS OF THE IPO (Cont'd)

3.5 Details Of The IPO

The IPO comprising the Public Issue and Offer for Sale shall be subject to the terms and conditions of this Prospectus and upon acceptance, the aggregated 52,408,000 TCB Shares will be allocated in the following manner:

(i) Pink Form Allocation

3,308,000 Issue Shares representing 2.63% of the enlarged issued and paid-up share capital of TCB after the Public Issue, will be reserved for subscription by 9 of the eligible Executive Directors and 456 employees of our Group.

The criteria of allocation to the eligible Executive Directors and employees, as approved by our Board, are as follows:

- (a) confirmed employees on the date of the offer;
- (b) must be at least eighteen (18) years of age;
- (c) job grade; and
- (d) length of service.

As approved by our Board, any of the 3,308,000 Issue Shares not subscribed for by eligible Executive Directors and employees of our Group, (based on the pre-determined allocation list) will be fully subscribed by Datuk Ng Teck Fong, our Executive Chairman. Datuk Ng Teck Fong has provided an undertaking to that effect.

The Executive Directors of our Group have been allocated an aggregate of 950,000 Issue Shares under the Pink Form Allocation in the following manner:

Name	Designation	No. Of Issue Shares Allocated
Datuk Ng Teck Fong	Executive Chairman	150,000
Ng Yih Pyng	Managing Director	100,000
Ng Yih Chen	Executive Director	100,000
Ng Sheau Chyn	Executive Director	100,000
Ng Sheau Yuen	Executive Director	100,000
Choong Chow Mooi	Executive Director	100,000
Mohd. Azhar bin Md. Disa	Executive Director of CP	100,000
Choong Yee Kong	Executive Director of J&G and TGJ (Sunway)	100,000
Choong Siew Mooi	Executive Director of TGJ (Sunway)	100,000

(ii) Allocation To The Malaysian Public Via Balloting

6,300,000 Issue Shares representing 5% of the enlarged issued and paid-up share capital of TCB after the Public Issue, will be made available for application by the Malaysian Public via balloting of which at least 30% is to be set aside strictly for Bumiputera applicants.

(iii) Private Placement

A total of 5,000,000 Issue Shares representing 3.97% of the enlarged issued and paid-up share capital of TCB after the Public Issue, will be made available for application at the Issue Price by way of Private Placement to the identified investors.

3. PARTICULARS OF THE IPO (Cont'd)

(iv) Offer For Sale To Bumiputera Investors Approved By MITI

37,800,000 Offer Shares representing 30% of the enlarged issued and paid-up share capital of TCB after the Public Issue, will be offered to Bumiputera investors approved by MITI.

As mentioned above, all the TCB Shares under paragraph 3.5 (i) will be covered by Datuk Ng Teck Fong's undertaking. All the TCB Shares under paragraph 3.5 (ii) above have been fully underwritten. All placees under the Private Placement have given their irrevocable undertakings to subscribe for their respective entitlements under paragraph 3.5 (iii). The TCB Shares under paragraph 3.5 (iv) above are not underwritten. Details of the brokerage fee and underwriting commission relating to the Issue Shares are set out in Section 3.8 of this Prospectus.

3.6 Basis of Arriving At The Issue/Offer Price

The Issue/Offer Price of RM0.95 per TCB Share was determined and agreed upon by our Company, the Offeror and Aseambankers as our Adviser based on, among other things, the following factors:

- (a) our Group's financial and operating history and conditions as outlined in Section 10 of this Prospectus;
- (b) the prospects of the industry in which the we operate as outlined in Section 5.7 to 5.10 of this Prospectus;
- (c) the forecast net PE Multiple of 4.53 times based on the forecast net EPS of 20.99 sen for the FYE 31 December 2006 as set out in Section 10.8 of this Prospectus;
- (d) our proforma Group NTA per share of RM0.62 after the Public Issue, Offer for Sale and utilisation of proceeds as set out in Section 10.13 of this Prospectus; and
- (e) the forecast net dividend yield of 3.79% as set out in Section 10.11 of this Prospectus.

3.7 Use Of Proceeds

The Public Issue is expected to raise total gross proceeds of approximately RM13.878 million and would be used by our Group in the following manner:

Particulars	Notes	RM'000	Expected Time Frame For Use Of Proceeds After The Listing
1. Acquisition of machineries	(a)	1,000	12 months
2. Branch expansion	(b)	4,000	12 months
3. Working capital	(c)	6,378	12 months
4. Estimated listing expenses	(d)	2,500	3 months
		<u>13,878</u>	

The net proceeds after deducting estimated listing expenses of RM2.5 million is approximately RM11.378 million.

3. PARTICULARS OF THE IPO (Cont'd)

No part of the gross proceeds which amount to approximately RM35.91 million arising from the Offer for Sale is receivable by us. The gross proceeds from the Offer for Sale shall accrue entirely to the Offeror. The Offeror shall bear stamp duty and other charges relating to the Offer for Sale.

There is no minimum subscription amount to be raised from the Public Issue as our Issue Shares are fully underwritten (except for the Private Placement and Pink Form Allocation which are not underwritten).

Notes:

(a) Acquisition of machineries

To expand on our manufacturing activities, our Group proposes to invest in additional machineries to increase our manufacturing capacity for the new series of silver jewellery, hollow chains and Baby Looney Tunes character jewellery. Details of the machineries are as follows:

Type of Machineries	Description
(i) 1 unit of rapid prototype model maker with software	The rapid prototype model maker with software is a computerised, 3-dimensional printing system used to build prototype by layers at high quality, accuracy and speed. This machine can build more than one unit of prototype simultaneously with maximum prototype size of 258mm x 250mm x 205mm with a fine resolution of 16 micron per layer of build.
(ii) 1 unit of water jet rein spare jetting head	A wet blast water jet is used to replace the acid bath after the casting process. With this machine, the 'casting tree' is cleaned under the wet blast, without any usage of acid as compared to the usual procedure. The wet blast water jet is also able to identify minor defects and flaws on the casting.
(iii) 1 unit of laser machinery	A laser machinery is used to touch up flaws and surface defects in casting which is normally detected after polishing stage as compared to the old method whereby flaw correction is done by cutting and changing the imperfect part or in the case whereby cutting and changing the flawed section is not possible, the whole process of production has to be repeated.
(iv) 1 unit of chain cutting machinery	Automatic chain-cutting machine equipped with multi-faceted diamond.

(b) Branch expansion

Part of our Group's future plans is to expand on the coverage of the market locally and overseas by establishing new retail outlets.

Our Group plans to expand on its network of retail outlets by establishing wholly or partly owned outlets in various locations throughout Malaysia. This would provide opportunities for our Group to expand on the coverage of the local market and provide ease of accessibility and convenience to potential customers.

Our Group aims to open four (4) additional retail outlets in 2006.

3. PARTICULARS OF THE IPO (Cont'd)

(c) **Working capital**

An amount of RM6.378 million of the proceeds will be utilised for working capital purposes of our Group to support our existing business operations, which includes financing its purchases and operating expenses.

(d) **Estimated listing expenses**

Approximately RM2.5 million will be allocated for the estimated expenses relating to the listing exercise. Any variation in the actual listing expenses from the estimated amount will be adjusted in the amount allocated for working capital.

Details of the estimated listing expenses are provided in Section 3.9.

3.8 Underwriting Commission, Placement Fee And Brokerage

The Managing Underwriter and Underwriters have agreed to underwrite our 6,300,000 Issue Shares which are made available to the Malaysian Public. We will pay the Underwriters an underwriting commission of 1.25% of the Issue Price of RM0.95 per Issue Share which is underwritten. We will also pay the Managing Underwriter a commission of 0.5% of the Issue Price for the 6,300,000 Issue Shares which are underwritten.

We pay brokerage in respect of the 6,300,000 Issue Shares at the rate of 1.0% of the Issue/Offer Price per Issue Share in respect of successful Applications bearing the stamp of Aseambankers, a member company of Bursa Securities, a member of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or MIDFCCS.

Placement fees shall be payable by our Company to the Placement Agent at the rate of up to 1.75% of the Issue/Offer Price per Issue Share placed.

The Offeror shall bear the stamp duty (if any) and any other related expenses and fees relating to the Offer for Sale.

3.9 Estimated Listing Expenses

The estimated listing expenses for the Listing are as follows:

	To be borne by us
	RM
Professional advisory fees	1,300,000
Fees to authorities and issuing house	250,000
Advertising and printing	450,000
Underwriting commission, brokerage fee and placement fee	250,000
Other miscellaneous expenses and contingencies	250,000
Total	2,500,000

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3. PARTICULARS OF THE IPO (Cont'd)

3.10 Salient Terms Of The Underwriting Agreement

The Managing Underwriter and the Underwriters mentioned herein have agreed to underwrite the 6,300,000 new ordinary shares of RM0.50 each available for application by the Malaysian Public.

Note: Unless stated, all capitalised terms shall bear the same meaning as prescribed in the Underwriting Agreement.

The following is an extract of the salient clauses contained in the Underwriting Agreement dated 30 May 2006, inclusive of certain clauses which would allow the Underwriters to withdraw from their respective obligations under the Underwriting Agreement after the opening of the offer:

Clause 2.2

The obligation of each Underwriter is several and no Underwriter shall be responsible for any failure by any other Underwriter to meet its obligation nor shall such failure relieve the Company, or the other Underwriter of their respective obligations and further, nothing in this Agreement shall be construed as constituting or evidencing a partnership between the Managing Underwriter and the other Underwriters and inter se the Underwriters.

Condition Precedent

Clause 5.1

Unless waived by the Managing Underwriter (in which case any condition precedent or any part thereof so waived shall be deemed to have been satisfied), the obligations of the Underwriters under this Agreement shall be conditional upon the fulfilment and/or satisfaction of the following:

- (a) the Bursa Securities having agreed in principle to the listing of and quotation for (on terms satisfactory to the Underwriters) the entire issued and paid-up share capital of the Company on the Second Board of the Bursa Securities;
- (b) the registration of the Prospectus with the SC pursuant to the SC Act and subsequent lodgement of the Prospectus with the ROC;
- (c) the issue of the Issue Shares having been approved by the shareholders of the Company in an extraordinary general meeting;
- (d) there having been, on or prior to the Closing Date or the Extended Closing Date, as the case may be, no breach of any representation, warranty, covenant, undertaking or obligation of the Company in this Agreement or which is contained in any certificate, statement, or notice provided under or in connection with this Agreement or which proves to be incorrect in any material respect;
- (e) there having been, on or prior to the Closing Date or the Extended Closing Date, as the case may be, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of the Group or in the prospects or future financial condition or business or operations of the Group (which in the reasonable opinion of the Underwriters, is or will be material in the context of the Public Issue and Offer for Sale and the sale of any Underwritten Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company herein contained;

3. PARTICULARS OF THE IPO (Cont'd)

- (f) the Underwriters receiving a copy certified by a director or secretary of the Company to be a true resolution of the Board of Directors of the Company approving this Agreement and authorising a person or persons to sign on behalf of the Company, this Agreement;
- (g) the Sale Shares having been fully subscribed by the Bumiputera investors approved and allocated by MITI or subject to the respective approvals of the SC, FIC, MITI and any other relevant authorities, the shares in respect of the Sale Shares having been deposited in a stakeholders' account up to six months or such period as may be approved by the relevant authorities from the date of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the Bursa Securities, in accordance with a stakeholder agreement to be entered into between the offeror and the stakeholders to be appointed;
- (h) the issuance of the Prospectus within two (2) months from the date of this Agreement or such other date as may be mutually agreed between the parties in writing;
- (i) the issuance of and subscription of the Issue Shares pursuant to and in accordance with the provisions hereof and in the Prospectus 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 Bursa Securities); and
- (j) this Agreement having been duly executed by all parties and stamped.

The conditions precedent are inserted for the sole benefit of the Underwriters and may be waived by the Managing Underwriter in whole or in part with or without terms or conditions. This Agreement shall become unconditional upon the fulfillment of the conditions precedent.

Clause 5.2

If any of the conditions set forth in Clause 5.1 are not satisfied within two (2) months from the date of this Agreement, the Underwriters shall, subject as mentioned below in this clause, be entitled to forthwith terminate this Agreement by notice in writing given to the Company whereupon the following shall take place within three (3) Market Days of the receipt of such notice:

- (a) the Company shall make payment of the Underwriting Commission to the Underwriters and the Managing Underwriter's Fee to the Managing Underwriter; and
- (b) each party shall return all other moneys (in the case of the Underwriters, after deducting the Underwriting Commission and Managing Underwriter's Fee due and owing to the Underwriters and Managing Underwriter hereunder) paid to the other under this Agreement (except for monies paid by the Company for the payment of the expenses as provided hereunder);

and thereafter, this Agreement shall become null and void and of no further force and effect and the parties shall be released and discharged from their respective obligations herein and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches.

Notwithstanding anything contained herein, the Underwriters may only terminate this Agreement pursuant to Clause 5.2, if the approval from the Underwriters who collectively underwrite at least fifty per centum (50%) of the Underwritten Shares, to do so have been obtained.

3. PARTICULARS OF THE IPO (Cont'd)

Payment of Underwriting Commission

Clause 10.1

In consideration of the obligations herein, each of the Underwriters shall be entitled to receive the Underwriting Commission as stated against each Underwriter's name in Column 4 of the Schedule from the Company.

Clause 10.2

In addition to the Underwriting Commission payable pursuant to Clause 10.1, the Managing Underwriter shall be entitled to a managing underwriter fee of zero point five per centum (0.5%) of the Issue Price multiplied by the total number of Underwritten Shares.

Termination

Clause 12.1

Notwithstanding anything herein contained, the Underwriters and/or the Managing Underwriter, as the case may be, may by notice in writing to the Company given at any time before the Closing Date or the Extended Closing Date, as the case may be, terminate, cancel and withdraw their commitment to underwrite the Underwritten Shares if:

- (a) in the event that the approval of the Bursa Securities for the admission of the Company to the official list of the Second Board of the Bursa Securities or for the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the Bursa Securities is withdrawn or procured but subject to the conditions not acceptable to the Underwriters;
- (b) there is any breach by the Company of any of the representations, warranties or undertakings contained in Clauses 3 and 4, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company; or
- (c) there is failure on the part of the Company to perform any of its obligations herein contained; or
- (d) there is withholding of information of a material nature from the Underwriters which is required to be disclosed pursuant to this Agreement which, in the reasonable opinion of the Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Issue Shares; or
- (e) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Group; or
- (f) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on the Bursa Securities for at least three (3) consecutive Market Days; or
- (g) the Kuala Lumpur Composite Index has dropped below seven hundred (700) points and stayed below seven hundred (700) points for at least three (3) consecutive Market Days; or

3. PARTICULARS OF THE IPO (Cont'd)

- (h) there shall have occurred, or happened any of the following circumstances:
- (i) any material 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 foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriters (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

which, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of the Group as a whole, the success of the Public Issue which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms. The Underwriters may then at any time before the Closing Date or Extended Closing Date, as the case maybe, by notice in writing to the Company, terminate this Agreement.

Clause 12.2

In the event that this Agreement is terminated pursuant to Clause 12.1, the Underwriters and the Company may confer with a view to deferring the Public Issue by amending the terms of this Agreement and enter into a new underwriting agreement accordingly, but neither the Underwriters nor the Company shall be under any obligation to enter into a fresh agreement.

Clause 12.3

Upon any such notice(s) being given pursuant to Clause 12.1, the Underwriters shall be released and discharged from their obligations hereunder whereupon the following shall take place within three (3) Market Days of the receipt of such notice:

- (a) the Company shall make payment of the Underwriting Commission and the Managing Underwriter's Fee to the Underwriters and Managing Underwriter; and
- (b) each party shall return all other moneys (in the case of the Underwriters, after deducting the Underwriting Commission and the Managing Underwriter's Fee due and owing to the Underwriters and Managing Underwriter hereunder) paid to the other under this Agreement (except for monies paid by the Company for the payment of the expenses as provided hereunder);

and thereafter, this Agreement shall become null and void and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches.

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4. RISK FACTORS

Before investing in our TCB Shares, you should carefully consider the following risk factors in addition to all the other relevant information contained elsewhere in this Prospectus:

4.1 Fluctuations In The Price Of Gold

As gold is a major raw material for the manufacturing of gold and white gold jewellery, operators will be exposed to fluctuations in world prices. Prices of gold tend to increase during times of crisis such as an impending threat of war or world economic downturn as gold is the next most liquid form of investment after cash, stocks and bonds. Fluctuations in world prices for gold will directly impact on the cost of raw materials for operators in the manufacturing of gold jewellery. In addition, the increase in gold prices may also adversely affect consumer demand reducing the affordability for gold jewellery.

However, as increases in the price of gold are passed back immediately to the consumer at the point of purchase, this will somewhat reduce the impact of rising cost of raw materials on our operations. Also, the spread between buying and selling prices provides some buffer for us. As purchases of gold jewellery are viewed as investment items, a sustainable high price would create wealth for owners and possibly spur higher purchases from investment perspective.

In addition, the sales of gemstone jewellery of our Group has been increasing, and thus, help to mitigate the dependency on gold jewellery. For the FYE 31 December 2005, our Group's revenue contributed by gemstone jewellery increased by approximately 26% as compared to the previous FYE 31 December 2004.

4.2 Competition From Local And Global Players

In 2005, it is estimated that there are 3,500 gold and jewellery retail outlets within Malaysia and approximately 58 companies issued with manufacturing licences. Of these, only 24 companies have commenced operations with approved tax incentives. Despite the lower number of manufacturers in Malaysia, imports also contribute to the competitive pressure. There is a significant proportion of imported jewellery in Malaysia, either sold through authorised dealers or carried under original brand names (*Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd*). All these place significant competitive pressure on our Group's business. Our Group mitigates competitive pressures from the local and global players in the following manner:

- (i) by being an integrated manufacturer and retailer of jewellery;
- (ii) by emphasising on product quality;
- (iii) by introducing a diverse range of jewellery to cater to different target customers;
- (iv) by creating an extensive network of retail outlets;
- (v) by ensuring strong representation in shopping complexes and specialised retail outlets; and
- (vi) by developing a market reputation as an established player in the jewellery industry.

While our Group is constantly improving its operations to remain competitive, we cannot assure that we will be able to maintain our existing market position in the future.

4. RISK FACTORS (Cont'd)

4.3 Dependence On Skilled Craftsmen And Designers

Our continuing success is dependent on the quality and design of our products. As such, we rely on the skills of our craftsmen, designers and R&D team to keep abreast with fashion trends, create innovative and appealing designs, and maintain high product quality standards. Thus, inability to retain or continually attract new skilled personnel would have an adverse impact on our business.

We currently have our own team of skilled craftsmen and designers. In addition, due to our diverse range of products and to tap on external expertise, we also outsource manufacturing of products to external craftsmen who may be based in or outside our premises.

Recognising the importance of skilled craftsmen and designers to our business, we have taken efforts to ensure that they are retained and new recruits are attracted to join our Group. Primarily, these efforts are focused on creating a conducive and attractive working environment as follows:

- (i) providing continuous professional development through in-house and external training, and opportunities to pursue new designs and products;
- (ii) providing clear career path to recognise and reward experience, skills and work performances; and
- (iii) ensuring compensation packages are in-line with market rates.

Craftsmen and designers are being recruited and groomed for succession planning purposes so as to ensure the consistency of our quality of products manufactured in the long term. Our Group is confident of strengthening our position in the Malaysian jewellery industry, judging by the quality and standard of our products.

Although we have made continuous efforts to ensure that there is no shortage of skilled craftsmen and designers, there can be no assurance that the above measures will always be successful.

4.4 Seasonality

Market demand for jewellery products always exist throughout the year. However, sales tend to be higher in certain months due to festive seasons such as Chinese New Year, Hari Raya, Deepavali and Christmas. Certain special occasions, such as Valentine's Day, Mother's Day, engagements and anniversaries will also spur the demand in jewellery.

Under the normal periods, our Group's manufacturing plant runs one eight-hour shift per day from Monday to Saturday. During peak demand periods, our Group will work overtime. During off peak seasons, we will focus on R&D to create new designs and models for the next peak season.

However, we cannot assure that any adverse changes in these seasonal factors will not have a material impact on our Group's future performance.

4. RISK FACTORS (Cont'd)

4.5 Threat Of Substitute Product

As jewellery is closely tied to global fashion trends, changes in these trends may cause a tendency to switch from precious metal and gemstone jewellery to other more 'popular' substitutes or alternatives such as costume or imitation jewellery. This is the nature of an industry that is governed by changes in fashion and consumer preferences. As for costume jewellery, this mainly caters to the lower-end of the market. The price range for costume jewellery is much lower and more affordable compared to other precious metals or gemstone jewellery. The general perception of costume or imitation jewellery is mainly as a fashion accessory. However, it may also provide an affordable substitute for precious metal and gemstone jewellery.

In 2005, the import value of imitation jewellery (including costume jewellery) increased by 61.0% compared to the previous year. Import value of imitation jewellery (including costume jewellery) amounted to RM33.4 million in 2005. Between 2001 and 2005, the import value of imitation jewellery (including costume jewellery) grew at an average annual rate of 22.2%. (Source: *Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd*)

Precious metal and gemstone jewellery are commonly viewed as a form of investment with the option for consumers to trade-in or sell-back to retailers. This is particularly prevalent in Asian countries. As such, the additional investment benefits of precious metal and gemstone jewellery will help to somewhat minimise the impact of changing consumer preferences to other substitute products such as costume jewellery. Operators who are able to cater to the changing consumer preferences by monitoring global trends in consumers are more adept in being able to compete effectively with other types of jewellery. In addition, operators with in-house design and manufacturing capabilities are in a stronger position to react quickly to meet consumer needs.

Furthermore, we will strive to mitigate this risk by continually developing innovative product designs and quality of our jewellery. Also, prompt attention will be taken to ensure that our products are kept in line with the current market changes due to consumer tastes and fashion trends.

4.6 Gold And Its Investment Appeal

One of the unique characteristics of gold jewellery is that it has intrinsic investment value in addition to its aesthetics value. There is a strong perception that gold jewellery can easily be exchanged for at the prevailing price of gold. To reaffirm this perception many gold jewellers have buy-back policies that guarantee repurchase of gold jewellery from customers. This intrinsic investment value has provided gold jewellery an added advantage and appeal over all other precious metals and gemstones.

However, if gold loses its intrinsic investment value, gold jewellery may lose its appeal and will materially affect our Group's business.

In mitigation, our Group provides a wide range of jewellery based on non-gold precious metals including silver and platinum, as well as gemstones and gemsets. Our Group also monitors trends closely such that we are able to react strategically if we detect any material move away from gold jewellery.

4. RISK FACTORS (Cont'd)

4.7 Implementation Of AFTA

The reduction of import duties with the full implementation of AFTA through the CEPT scheme may make imports competitive against locally manufactured products.

The import of finished jewellery is classified under Articles of Jewellery and Parts Thereof, of precious metal or of metal clad with precious metal, is subjected to an import duty of 5% (ASEAN CEPT).

However, in some cases within the jewellery industry, especially gold jewellery, a 5% cost difference could be significant. This is because gold is a commodity and prices are based on world gold prices. As such, local manufacturers would continue to enjoy some protection from imports.

In many cases within the jewellery industry, competition is not based solely on prices. Design, branding, marketing, distribution network, reputation and track record play a significant role. As such, local manufacturers that have been in the local market for a sufficient length of time would be in a good position to compete with imports.

(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)

However, we cannot assure that the reduction of import duties with the full implementation of AFTA through the CEPT scheme will not impact our business.

4.8 Risk Associated With Security And Operational Risks

Our Group's inventory mainly consists of gold and jewellery, therefore, security measure is vital to protect any loss due to theft or robbery. To ensure the security of our inventory, we have taken preventive and precautionary measures by the installation of closed circuit television ("CCTV"), the engagement of internal and external security guards and the use of different entrances for operators and non-operators. In addition, strong rooms are also available for the storage of our inventory of gold and jewellery. Although our management strives to mitigate these risks, we cannot assure that the security measures are adequate in the long term.

Other potential operational risks which may affect our business include fire outbreaks, disruption to electricity supply, amongst others. In mitigation of these risks, our Group has put in place the following risk management or practices:

- (i) our Group has fire fighting equipment and fire prevention policies in the workplace; and
- (ii) our Group has adequate insurance coverage on the manufacturing plant, retail outlets, production equipment and machinery, and office equipment against any risk of fire.

Our Group has not taken any insurance coverage against the disruption in electricity supply as our management is of the view that its retail operations will not be significantly affected by the disruption in electricity supply as most of the retail outlets are situated in shopping complexes. While for our manufacturing business, any loss of production time due to minor disruption in electricity supply may be recovered by extending future production hours.

However, we cannot assure that even with the existing risk management practices, we will not be affected in the event of a fire or energy crisis and other emergencies.

4. RISK FACTORS (Cont'd)

4.9 Insurance Coverage On Our Group's Assets

At present, our Group's inventory of raw materials and finished products are insured against unforeseen circumstances such as fire, loss, damage, robbery and theft.

Although all reasonable steps have been taken by our Group to ensure that all our assets are adequately covered by insurance, we cannot assure that the insurance coverage would be adequate for the replacement cost of our assets in the future.

4.10 Marketability Of Our TCB Shares

Prior to this IPO, there has been no public market for our TCB Shares and we cannot assure the future development of the market for our TCB Shares upon its listing on the Second Board of Bursa Securities. The Issue/Offer Price has been determined after taking into consideration a number of factors, including but not limited to, our Group's financial and operating history and standing, the future prospects of our Group and the industry in which our Group is involved, the NTA of our Group, the valuation of certain properties of our Group, the market prices for shares of other companies engaged in businesses similar to that of our Group and the prevailing market condition prior to the signing of the Underwriting Agreement.

We cannot assure that the Issue/Offer Price will correspond to the price at which our TCB Shares will trade on the Second Board of Bursa Securities upon or subsequent to the Listing or that an active market for our TCB Shares will develop and continue upon or subsequent to the Listing.

4.11 Ownership And Control Of Our Group

Upon completion of the IPO, TFC, Datuk Ng Teck Fong, Ng Yih Pyng and Ng Yih Chen will be our controlling shareholders, collectively holding approximately 56.3% equity interest of our enlarged issued and paid-up share capital, assuming that they fully subscribe for their respective entitlements under the Pink Form Allocation. However, in the event that none of the eligible Executive Directors and employees of our Group subscribe for their entitlements under the Pink Form Allocation, the collective shareholdings of TFC, Datuk Ng Teck Fong, Ng Yih Pyng and Ng Yih Chen will increase to 58.64%.

As a result, it is likely that TFC, Datuk Ng Teck Fong, Ng Yih Pyng and Ng Yih Chen will be able to control the outcome of certain matters requiring the vote of our shareholders unless they are required to abstain from voting by law and/or the relevant authorities.

However, we have appointed four (4) Independent Non-Executive Directors as a step towards good corporate governance to ensure that any future transactions involving related parties, if any, are entered into on arms-length terms.

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4. RISK FACTORS (Cont'd)

4.12 Key Management And Key Personnel

We believe that our continued success depends to a significant extent on the abilities and continued efforts of our Directors and competent senior management team. The loss of any of the key member of our Group's Directors and senior management could adversely affect our continuing ability to compete in the jewellery industry.

Hence, our Group's future success is dependent upon our ability to attract and retain skilled personnel. Ongoing efforts are being made by our Group to groom the younger members of the management team to assume higher responsibilities, hence providing a smooth transition should changes occur. Our Group continuously strives to attract and retain skilled personnel by creating promotion opportunities within our Group.

However, we cannot assure that such measures will always be successful in retaining key personnel. Any failure to recruit or retain key personnel may materially and adversely affect our Group's overall business and operating results.

4.13 Protection Of Intellectual Property

We market a range of products under our own brand names "Tomei", "My Diamond", "TH Jewelry" and "Grazia". We have registered "Tomei", "My Diamond" and "Grazia" as trade marks as per Section 5.4.3 of this Prospectus. We have also applied for other trade marks, the details of which can be found in Section 5.4.3 of this Prospectus. However, the existing brand names and rights afford only limited protections. Accordingly, we cannot assure that we will be able to protect our proprietary and/or other rights against unauthorised third party copying, use or exploitation, any of which could have a material adverse effect on our Group's business, operating results and financial conditions.

Our Directors believe that the risk is however relatively low as our Group has successfully developed brand awareness for our corporate name "Tomei". This corporate brand building would provide consumers with assurance of our products.

4.14 Domestic Borrowings

Our working capital and capital expenditure is financed partly by bank borrowings. As such, we have interest commitments due to facilities granted by the domestic financial institutions such as overdrafts, trade financing, bankers' acceptances and term loans.

As at 31 December 2005 (being the latest available audited financial statements) and 11 May 2006 (being the latest practicable date of which such amounts could be determined prior to the printing of this Prospectus), our Group's total borrowings amounted to approximately RM61.69 million and RM63.2 million respectively. Please refer to Section 10.7 (ii) of this Prospectus for details.

While every effort is taken to ensure that no adverse effects arise from the loans and interest commitment, we cannot assure that these commitments in future will not have any material impact on our financial performance.

4. RISK FACTORS (Cont'd)

4.15 Restrictive Covenants Under Facility Agreement

Our Group, pursuant to facility/loan agreements entered into by our Group with banks or financiers are bound by certain positive and negative covenants, which may limit our operating and financial flexibility. The aforesaid covenants are of a nature which are commonly contained in credit facility agreements in Malaysia. Any act by our Group falling within the ambit or scope of such covenants will require consent of the relevant bank/financier. Breach of such covenants may give rise to a right by the bank/financier to terminate the relevant credit facility and/or enforce any security granted in relation to that facility. Our Directors are aware of such covenants and shall take precautions necessary to prevent such breach and to obtain the consent of the relevant bank/financier.

However, we cannot assure that such consent will be obtained and if it is not obtained, that it will not materially affect our performance.

4.16 Cross Default Risks On Borrowings Agreements

We, pursuant to credit facility agreements entered into by us and our subsidiaries with banks or financiers, are bound by cross default clauses in such credit facility agreements whereby in the event we or any of our subsidiaries goes into default under, or commits a breach of, any instrument or agreement relating to any indebtedness or guarantee, that default or breach can also constitute an event of default on our credit facilities and/or our subsidiaries' credit facilities.

As at 11 May 2006 (being the latest practicable date of which such amounts could be determined prior to the printing of this Prospectus), our Group's total bank borrowings, overdraft facilities and term loan facilities amounted to approximately RM63.2 million. Any increase in interest rates will increase our burden with respect to interest payments of the loans depending on the total outstanding at that point in time.

4.17 Foreign Exchange Fluctuations

The industry is also vulnerable to fluctuations in foreign exchange. This applies to gold as raw material for manufacturing as well as finished products. As a consumer-based product, consumer demand is highly dependent on the price. An unfavourable foreign exchange movement against the RM would either reduce consumer demand as prices would need to be increased or operators' profitability would suffer if they decide to absorb the price increases.

On 21 July 2005, the Malaysian Government removed pegging of the RM to the USD for a managed float system. This system is likely to minimise wide fluctuation in foreign exchange and provide some stability for our Group.

However, we cannot assure that any future exchange fluctuations even under the current managed float system will not adversely affect the financial results of our Group.

4.18 Government Control And Regulation

Adverse developments in political and regulatory conditions in Malaysia could materially affect our financial prospects. Political uncertainties such as changes in both monetary and fiscal policies, expropriation, methods of taxation and currency exchange controls may impact on the performance of our Group as a whole. Growth of the jewellery manufacturing industry is correlated to the growth of the gold jewellery retailing industry. Hence, any Government's control or regulation imposed on either the manufacturing or the retail sector could materially and adversely affect the growth and profitability of our Group in the long term.

4. RISK FACTORS (Cont'd)

4.19 Political, Social And Economic Considerations

Like other business entities, adverse development in political, social and economic conditions in Malaysia and other countries in which our Group has business operations or trading could have unfavourable impact on the financial prospects of our Group.

Malaysia is among the most open economy in the world, measured by trade as a share of gross domestic product and subjected to the global business cycle, for example global economy downturn would also affect the Malaysian economy.

Any downturn in the local and global economies would reduce disposable income and consumer confidence. As jewellery including gold and gemstone jewellery are high priced items and considered a luxury item, any reduction in disposable income and consumer confidence would ultimately impact on consumer expenditure on jewellery.

In mitigation, operators with strong brand recognition, financial stability, extensive and established distribution network, and a wide and diverse range of products would be better able to survive the impact of a slowdown. In addition, operators that export their products overseas will effectively be able to reduce some of their dependency on the local economy. To some extent, gold jewellery is sometimes purchased for its investment value and as such, it may be more resilient to an economic downturn compared to other types of jewellery.

Other political, social and economic uncertainties include risks of wars, expropriations, nationalisation, renegotiation and changes in exchange rates, interest rates and taxation policies. We cannot assure that any changes to these factors will not have a material adverse effect on our business.

4.20 Profit Forecast

This Prospectus contains our consolidated profit forecast that have been prepared based on assumptions, which our Directors believe to be reasonable, but which nevertheless, are subject to uncertainties and contingencies.

Due to the basis of assumptions and inherent uncertainties of forecasts and because events and circumstances frequently do not occur as expected, we cannot assure that the forecast contained in this Prospectus will be realised and actual results may be materially different from those shown. You are deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forecast that are contained in this Prospectus.

4.21 Failure/Delay In The Listing

The occurrence of any one or more of the following events (which may not be exhaustive) may cause a delay in, or non-implementation of the Listing:

- (i) the Bumiputera investors approved by the MITI fail to take up their allocated portion of the Offer Shares;
- (ii) the Underwriting Agreement is terminated or the Underwriters fail to honour their obligations; and
- (iii) we are unable to meet the public spread requirement i.e. 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 TCB Shares each at the point of the Listing.

4. RISK FACTORS (Cont'd)

Although our Board will endeavour to ensure compliance by TCB of the various provision of the Listing Requirements, including, inter-alia, the public spread requirement, no assurance can be given that the abovementioned factors will not cause a delay in or the non-implementation of the Listing.

4.22 Forward-looking Statements

Certain statements in this Prospectus are based on historical data which may not be reflective of the future results, and others are forward-looking in nature which are subject to uncertainties and contingencies.

All forward-looking statements are based on estimates and assumptions made by our Board, and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements.

Such factors include, among other things, general economic and business conditions, competition, the impact of new laws and regulations affecting our Group and the industry, changes in interest rates and changes in foreign exchange rates. In light of these uncertainties, the inclusion of forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that the plans and objectives of our Group will be achieved.

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