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V. INFORMATION ON NTHB GROUP (Cont'd)

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Currently, among the areas of research and development carried out by NTHB Group includes replacement of pulp with recycled fibre, replacement of chemicals used in the production process and the development of a new range of facial tissue products.

The Group had conducted a study on the possibility of developing substitute materials to replace pulp in order to increase the strength of its paper products while maintaining a low cost of production. Such developments which were proven to be effective, has been put into commercial production in February 2001. Since then, the usage of the said substitutes has been increasing each month. NTHB Group has and will continue its research and development activities to develop new alternatives to improve the products as well as its production processes.

Apart from improving the quality of its products, research and development activities are also undertaken to produce more environmental friendly products.

**4.9 Quality Control**

The Group adheres to stringent quality control standards to maintain the high quality of its products. Quality control measures are established by the Group at various stages of production from pulp and wastepaper to finished products. The Group employs a mixture of manual and automated features to ensure consistent quality in its products and works closely with its customers on the required quality.

During the production processes, critical process parameters and product quality measurements are defined. Some examples of these process parameters and quality measurements are the tensity and weight of the various paper products. In order to achieve consistent quality expectations, the Group has set up a monitoring system, known as the statistics process control which monitors such parameters and quality measures. This is done either on hourly basis or on a shift by shift basis and the results are audited by the quality assurance personnel. All such data are plotted on a trend chart or control charts to check any abnormal fluctuations or trends on a daily basis and immediate actions will be taken if there is any area which are noted to be out of the control points. Such a proactive quality control system is very useful and effective and allows immediate ratification action to be taken.

As part of its plan to further enhance its quality control system, NTHB, NTPM and NTE had jointly applied for the ISO9001/2000 to ensure that its quality control system adheres to the standard requirements which was certified on 27 April 2002 by AOQC Moody (M) Sdn Bhd. The scope of the certification for NTHB and NTPM covers the manufacturing of tissue papers while the certification of NTE covers the sales and marketing of the tissue papers for local market.

**4.10 Environmental Concerns**

While recycling paper reduces the major problem of waste disposal and are deemed to be environmentally friendly, the treatment and recycling process bring about affluent discharge which are pollutants and hazardous to the environment. The Department of Environment constantly carries out inspections to ensure that the discharge of these wastes is properly managed and does not pose a health hazard to society.

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**V. INFORMATION ON NTHB GROUP (Cont'd)**

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NTHB Group places great emphasis on its waste treatment facilities and is constantly improving on its waste treatment processes with a view to adhering to the Department of Environment's requirements. A wastewater treatment plant was completed in June 2000 to treat the chemicals which have been used during the de-inking process in the manufacturing of the paper products before being disposed. Apart from that, NTHB also sends water sample to an independent laboratory every month to examine the level of discharge content in water. These test results are then forwarded to the Department of Environment who will inspect the facility once every three (3) to six (6) months.

Apart from using environmental friendly production process, the Group also focus its effort in producing more environmental friendly products. This will not only allow the Group to conform to the environmental regulations, but at the same time cater for the more environmental conscious segment of the consumer market.

**4.11 Governing Laws and Regulations**

Currently, there are no relevant laws and regulations which governs the tissue papers, toilet rolls and paper related products industry except for the regulations for manufacturing operations govern by the MITI such as the requirements of manufacturing licenses to operate.

However, to encourage investments, the Malaysian government provides several incentive schemes designed to grant relief from taxes in various forms. The major tax incentives for companies in the manufacturing sector are Pioneer Status, Investment Tax Allowance and Reinvestment Allowance.

Currently, the NTPM enjoys Reinvestment Allowance ("RA"). RA is an incentive granted to manufacturing companies which incur capital expenditure for the purpose of a qualifying project mainly for the expansion, modernisation or automation of its existing business in respect of manufacturing or processing of a product or any related product within the same industry or diversification of its existing business into any related product within the same industry. Pursuant to the Budget 2002, the RA incentive has been extended for another ten (10) years and accordingly NTPM can now enjoy RA incentive for a total of fifteen (15) years until 2011 provided NTPM is able to fulfil the conditions for RA incentive.

RA takes in the form of an allowance of sixty percentum (60%) of capital expenditure incurred by the companies which can be utilised against seventy percentum (70%) of the statutory income in the year of assessment. However, if the qualifying project is located within States of Sabah, Sarawak, the Eastern Corridor of Peninsular Malaysia or where the qualifying project achieved the level of productivity of the industry growth rate, the allowance can be fully utilised against the statutory income of a year of assessment. Any unabsorbed allowance is allowed to be carried forward to the following years until it is fully utilised. As such RA will provide excellent opportunities in terms of tax savings to NTHB Group.

*(Source: [www.miti.gov.my](http://www.miti.gov.my))*

Apart from the tax regulations, the tissue papers, toilet rolls and paper related products industry is also subject to environmental regulations in the treatment and disposal of waste discharge from the manufacturing process.

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**V. INFORMATION ON NTHB GROUP (Cont'd)**


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**4.12 Contribution to Economic Growth**

NTHB Group has contributed and will continue to contribute to the economic growth of Malaysia through its manufacturing operations. NTHB Group's production has provided and will continue to provide linkages with other sectors in particular with the wastepaper collection sector. NTHB Group's activities are also in line with the Government's call for a cleaner environment through its recycling process. With increasing environmental and ecological pressures faced by the Government, greater emphasis have been placed on the recycling of waste, hence reducing the requirement of primary products and reducing the need for waste disposal management.

For the financial year ended 30 April 2002 and the five (5) months period ended 30 September 2002, export sales contributed to approximately 30.4% and 30.3% of NTHB Group's sales, hence providing inflow of foreign currency to the country. NTHB Group has also supported the Government's effort in promoting trade amongst Asean countries by exporting their products to Asean countries such as Singapore. Furthermore, as part of the Group's future plan, NTHB Group is planning to expand and/or increase its export to other Asean countries as well as to the global market.

**5. SHARE CAPITAL**

The authorised share capital of NTHB is RM250,000,000 comprising 2,500,000,000 ordinary shares of RM0.10 each. The issued and paid-up share capital of NTHB is RM62,400,000 comprising 624,000,000 ordinary shares of RM0.10 each.

Detail of the changes in the issued and paid-up share capital of the Company since its incorporation are as follows:

<b>Date of allotment</b>	<b>No. of ordinary shares</b>	<b>Par value RM</b>	<b>Consideration</b>	<b>Total issued and paid-up share capital RM</b>
22.04.96	2	1.00	Subscribers' shares	2
13.06.96	1	1.00	Cash	3
13.06.96	3,889,954	1.00	Consideration other than cash	3,889,957
02.09.96	1,342	1.00	Cash	3,891,299
18.02.03	38,912,990	0.10	Share Split 1:10	3,891,299
18.02.03	585,087,010	0.10	Bonus issue of approximately 150,358 for every 10,000 share held	62,400,000

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**V. INFORMATION ON NTHB GROUP (Cont'd)**


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**6. SUBSIDIARIES AND ASSOCIATED COMPANY**

As at the date hereof, the subsidiaries of NTHB, are as follows:

<b>Name</b>	<b>Country and date of incorporation</b>	<b>Issued and paid-up capital</b>	<b>Effective interest %</b>	<b>Principal activities</b>
NTPM	Malaysia; 23.04.75	RM20,000,000	100	Manufacturing and trading of tissue papers, toilet rolls, serviettes and paper related products, trading of cotton products and investment holding
NTPP	Singapore; 12.04.86	SGD30,002	100	Importers, exporters and dealers in all kind of paper products, tissue papers, toilet rolls, paper towels, cotton products and general merchandise
Jia In	Malaysia; 22.05.87	RM600,000	60	Printing of operation manuals and journals, packaging materials and etc.
NTE	Malaysia; 31.12.82	RM8,944	100	Trading in tissue products, toilet rolls, paper related products, cotton products and mineral water
H-Link	Malaysia; 02.03.96	RM2,000,000	100	Dormant
NTPC	Malaysia; 02.11.91	RM1,000,000	100	Dormant

As at the date hereof, NTHB does not have any associated company.

**6.1 NTPM****(i) History and Business**

NTPM was incorporated on 23 April 1975 as a private limited company under the Act under its present name. It became a subsidiary of NTHB on 13 June 1996.

Its principal activities are manufacturing and trading of tissue papers, toilet rolls, serviettes, and paper related products, trading of cotton products and investment holding.

NTPM started as a small, low technology, paper mill selling jumbo rolls to converters, who convert the rolls into finished products and sell it to the local market. Subsequently, NTPM ventured into its own converting operation and distribute directly to the shops, supermarkets and wholesalers.

**(ii) Share Capital**

The present authorised share capital of NTPM is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM20,000,000 divided into 20,000,000 ordinary shares of RM1.00 each.

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**V. INFORMATION ON NTHB GROUP (Cont'd)**


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The changes in the issued and paid-up share capital of NTPM since incorporation are as follows:

<b>Date of allotment</b>	<b>No. of ordinary shares</b>	<b>Par value RM</b>	<b>Consideration</b>	<b>Total issued and paid-up share capital RM</b>
23.04.75	2	1.00	Subscribers' shares	2
21.08.75	10,000	1.00	Cash	10,002
28.03.77	146,000	1.00	Cash	156,002
21.01.78	624,000	1.00	Cash	780,002
24.12.78	20,000	1.00	Cash	800,002
05.09.85	1,199,998	1.00	Consideration other than cash	2,000,000
19.03.90	450,000	1.00	Bonus issue	2,450,000
25.10.91	432,353	1.00	Cash	2,882,353
14.06.96	3	1.00	Cash	2,882,356
02.09.96	2	1.00	Cash	2,882,358
07.09.98	17,117,642	1.00	Bonus issue	20,000,000

**(iii) Subsidiaries and Associated Company**

As at the date hereof, NTPM has two (2) subsidiaries, namely NTPP, a wholly-owned subsidiary and Jia In, a 60% owned subsidiary.

As at the date hereof, NTPM does not have any associated company.

**6.2 NTPP**

**(i) History and Business**

NTPP was incorporated under the name of Lien Tah Trading Pte Ltd on 12 April 1986 as a private limited company under the Companies Act, Chapter 185, Singapore. On 24 December 1994, the company assumed its present name. NTPP is a wholly-owned subsidiary of NTPM.

The principal activities of NTPP is as importers, exporters and dealers in all kind of paper products, tissue papers, toilet rolls, paper towels, cotton products and general merchandise. NTPP is selling exclusively NTPM's products in Singapore.

NTPP has established a distribution network covering most part of Singapore and has a computerised sales system similar to that of NTE.

## V. INFORMATION ON NTHB GROUP (Cont'd)

## (ii) Share Capital

The present authorised share capital of NTPP is SGD100,000 comprising 100,000 ordinary shares of SGD1.00 each. The issued and paid-up share capital is SGD30,002 divided into 30,002 ordinary shares of SGD1.00 each.

The changes in the issued and paid-up share capital of NTPP since incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value SGD	Consideration	Total issued and paid-up share capital SGD
12.04.86	2	1.00	Subscribers' shares	2
29.04.86	30,000	1.00	Cash	30,002

## (iii) Subsidiary and Associated Company

As at the date hercof, NTPP does not have any subsidiary or associated company.

## 6.3 Jia In

## (i) History and Business

Jia In was incorporated on 22 May 1987 as a private limited company under the Act, under its present name. It became a subsidiary of NTPM on 28 September 2000. Its principal activities are printing of operation manuals and journals and packaging materials.

## (ii) Share Capital

The present authorised share capital of Jia In is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM600,000 divided into 600,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Jia In since incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
22.05.1987	2	1.00	Subscribers' shares	2
31.01.1993	199,998	1.00	Cash	200,000
20.09.1993	25,000	1.00	Cash	225,000
18.04.1995	67,500	1.00	Cash	292,500
28.01.1997	100,000	1.00	Cash	392,500
06.08.1999	207,500	1.00	Bonus issue	600,000

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**V. INFORMATION ON NTHB GROUP (Cont'd)**


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The shareholdings of the remaining shareholders in Jia In are as follows:

	<----- Direct ----->		<----- Indirect ----->	
	No. of ordinary shares held	%	No. of ordinary shares held	%
Tan Sin Wui	80,000	13.3	-	-
Loo Hooi Hock	160,000	26.7	-	-

**(iii) Subsidiary and Associated Company**

As at the date hereof, Jia In does not have any subsidiary or associated company.

**6.4 NTE**

**(i) History and Business**

NTE was incorporated on 31 December 1982 as a private limited company under the Act, under its present name. It became a subsidiary of NTHB on 13 June 1996.

The principal activities of NTE are trading in tissue products, toilet rolls, paper related products, cotton products and mineral water .

**(ii) Share Capital**

The present authorised share capital of NTE is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM8,944 divided into 8,944 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of NTE since incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issue and paid-up share capital RM
31.12.82	2	1.00	Subscribers' shares	2
29.11.83	7,600	1.00	Cash	7,602
02.09.96	1,342	1.00	Cash	8,944

**(iii) Subsidiary and Associated Company**

As at the date hereof, NTE does not have any subsidiary or associated company.

## V. INFORMATION ON NTHB GROUP (Cont'd)

## 6.5 H-Link

## (i) History and Business

H-Link was incorporated under the name of Nostalgia Orkid Sdn Bhd on 2 March 1996 as a private limited company under the Act. On 26 March 1999, the company changed to its present name. It became a subsidiary of NTHB on 12 November 1999.

Currently, the company has not commenced operations. It is intended for e-commerce activities.

## (ii) Share Capital

The present authorised share capital of H-Link is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2,000,000 divided into 2,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of H-Link since incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
02.03.96	2	1.00	Subscribers' shares	2
12.11.99	1,999,998	1.00	Cash	2,000,000

## (iii) Subsidiary and Associated Company

As at the date hereof, H-Link does not have any subsidiary or associated company.

## 6.6 NTPC

## (i) History and Business

NTPC was incorporated on 2 November 1991 as a private limited company under the Act, under the name of Entroplus (M) Sdn Bhd. It became a subsidiary of NTHB on 13 June 1996. It assumes its present name on 26 October 2002.

The company commenced its principal activity as an investment holding company during the financial year 1993.

Currently, NTPC is dormant.

## (ii) Share Capital

The present authorised share capital of NTPC is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each.

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**V. INFORMATION ON NTHB GROUP (Cont'd)**


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The changes in the issued and paid-up share capital of NTPC since incorporation are as follows:

<b>Date of allotment</b>	<b>No. of ordinary shares</b>	<b>Par value RM</b>	<b>Consideration</b>	<b>Total issued and paid-up share capital RM</b>
02.11.91	2	1.00	Subscribers' shares	2
21.12.93	999,998	1.00	Cash	1,000,000

**(iii) Subsidiary and Associated Company**

As at the date hereof, NTPC does not have any subsidiary or associated company.

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## V. INFORMATION ON NTHB GROUP (Cont'd)

## 7. PROPERTIES

The landed properties of NTHB Group are as follows:

Title/Location	Description of property /Existing use	Total land area sq. m.	Total built-up area sq. m.	Tenure/Age of building	Registered owner	NBV as at 30 September 2001 <sup>(i)</sup> RM	Market value as approved by the SC <sup>(ii)</sup> RM	Revaluation surplus/(deficit) RM	Deferred taxation <sup>(iii)</sup> RM	Total net revaluation surplus/ (deficit) as approved by the SC <sup>(iii)</sup> RM
Lot 1000, Grant No. 35375 and Lot 999, G. M. 514, Mukim 8, Seberang Perai Selatan, Pulau Pinang	Paper mill and tissue manufacturing factory located at No. 886, Jalan Bandar Baru, Sungai Kechil, 14300 Nibong Tebal, Pulau Pinang	69,082	28,617	Freehold industrial land/ 7 to 26 years	NTPM	8,879,810	18,100,000	9,220,190	(976,253)	8,243,937
Lot 109, G. M. 372, I. R. 608, Lot 609, G. M. 594, I. R. 610, Lot 631, G. M. 107, I. R. 801, I. R. 804, Lot 808, G. M. 598, Lot 810, G. M. 285, Lot 811, G. M. 286, Lot 957, G. M. 501, Lot 958, G. M. 502 & Lot 959, G. M. 503, Mukim 8, Seberang Perai Selatan, Pulau Pinang	The existing industrial land is vacant other than the two (2) buildings namely a newly completed warehouse/store, a workshop building and also a wastewater treatment plant built on Lot 608. Part of Lot 631 is utilised as open storage yard for wastepaper	191,170	2,282	Freehold industrial land/3 years	NTPM	2,552,399	14,840,000	12,287,601	(620,842)	11,666,759
Lot 642, Grant No. 2263, Mukim 8, Seberang Perai Selatan, Pulau Pinang	A parcel of agricultural land	52,100	-	Freehold agricultural land	NTPM	334,861	670,000	335,139	(16,758)	318,381
P. T. No. 1582, H. S. (D) 27334, Mukim of Krubong, District of Melaka Tengah, Melaka	Vacant industrial land	1,890	-	Freehold industrial land	NTPM	224,169	223,000	(1,169)	-	(1,169)
P. T. No. 385, H. S. (D) 2279, Mukim 13, Seberang Perai Tengah, Pulau Pinang	Vacant industrial land	4,876	-	Leasehold for a term of 60 years expiring on 5 July 2060	Jia In	897,841	640,000	(257,841)	-	(257,841) <sup>(iii)</sup>

## V. INFORMATION ON NTHB GROUP (Cont'd)

Title/Location	Description of property /Existing use	Total land area sq. m.	Total built-up area sq. m.	Tenure/Age of building	Registered owner	NBV as at 30 September 2001 <sup>(i)</sup> RM	Market value as approved by the SC RM	Revaluation surplus/(deficit) RM	Deferred taxation <sup>(ii)</sup> RM	Total net revaluation surplus/(deficit) as approved by the SC RM
Lot 442, Grant No. 32492 & Lot 443, G. M. 478, Mukim 7 and Lot 794, G. M. 277, Mukim 8, Seberang Perai Selatan, Pulau Pinang	Vacant agricultural land	75,919	-	Freehold agricultural land	NTPM	4,073,590	3,005,000	(1,068,590)	-	(1,068,590)
Lot 5787, Pajakan Negeri No. 41687, Mukim of Parit Buntar, District of Krian, Perak Darul Ridzuan	A factory complex located at P. T. No. 139, Kawasan Perusahaan Parit Buntar, Perak Darul Ridzuan	4,165	3,100	Leasehold industrial land for a term of 60 years expiring on 22 October 2047 /5 years	NTPM	1,577,584	1,840,000	262,416	(26,190)	236,226
						18,540,254	39,318,000	20,777,746	(1,640,043)	19,137,703

## Notes:

G. M. Grant Mukim

I. R. Interim Register

(i) Being the month end when the revaluation surplus/deficit of the respective companies were ascertained.

(ii) Deferred taxation for land at 5% of the revaluation surplus based on the assumption that the Group does not intend to dispose of the land and buildings and deferred taxation for the revaluation of depreciable property such as buildings are based on the income tax rate i.e. 28% of the revaluation surplus.

(iii) The revaluation deficit of RM257,841 arising from the revaluation of the landed property held by Jia In was written off in the audited financial statements of Jia In for the financial year ended 30 April 2002.

**V. INFORMATION ON NTHB GROUP (Cont'd)**

The market valuation of the above properties was based on the comparison and depreciated replacement cost methods of valuation (where applicable) carried out by professional valuers, Messrs. Henry Butcher, Lim & Long (N) Sdn Bhd and Messrs. Henry Butcher, Lim & Long (Malacca) Sdn Bhd. The revaluation of NTHB Group's landed properties was undertaken on 19 September 2001. The Valuation Certificate is set out in Section XI of this Prospectus. The net revaluation surplus/deficits RM19,395,544 (net of deferred tax) arising from the said revaluation (other than the revaluation deficit arising from the revaluation of the landed property held by Jia In) was capitalised in the consolidated audited financial statements of NTHB Group for the financial year ended 30 April 2002. The revaluation deficit of RM257,841 arising from the revaluation of the landed property held by Jia In had been expensed off in the income statements of Jia In for the financial year ended 30 April 2002.

Recently, NTHB Group had acquired the following landed properties:

Registered owner	Title/Location	Description of property/Existing use	Total land /building area sq.m.	Tenure/ Age of building	NBV as at 30 September 2002 RM	Purchase price RM
Amko Associates Sdn Bhd <sup>(i)</sup>	H. S. (D) 224308, PTD No 41665, Mukim of Senai Kulai, District of Johor Bahru, Negeri Johor Darul Takzim	Factory under construction	7,382	Freehold	900,000	900,000
Hup Lee Coachbuilders Holdings Sdn Bhd <sup>(ii)</sup>	GM 253, No. Lot 3387, Mukim Petaling, Dacrah Petaling, Negeri Selangor Darul Ehsan	Vacant industrial land	4,390	Freehold	3,351,000	3,351,000
Highlands & Lowlands Berhad	Lot No. 5, Jalan Tiang U8/93, Bukit Jelutong Industrial Park, Shah Alam, Selangor Darul Ehsan (forming part of Geran 43086, Lot No. 23862, Mukim of Damansara, District of Petaling, Negeri Selangor Darul Ehsan)	Vacant industrial land	10,117	Freehold	-	4,356,000

**Notes:**

- (i) The said property was acquired by NTPM on 8 May 2002 and the title of the said property is currently in the process of being transferred to NTPM.
- (ii) The said property was acquired by NTPM on 11 April 2002 and the title of the said property is currently in the process of being transferred to NTPM.
- (iii) NTPM had on 31 December 2002 signed a sale and purchase agreement with Guthrie Property Development Holding Sdn Bhd and Highlands & Lowlands Berhad for the acquisition of the said property and 10% of the purchase price or RM435,600 has been paid.

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**V. INFORMATION ON NTHB GROUP (Cont'd)**


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**8. MAJOR LICENCES AND PERMITS**

Details of the licences material to the business and operations owned by the Group are as follows:

- (i) Manufacturing Licence dated 11 July 1978 issued pursuant to Industrial Coordination Act 1975 to NTPM authorising NTPM to act as a licensed manufacturer commencing from 3 July 1978 at Kampong Nanas, Nibong Tebal, Seberang Prai, in respect of tissue paper.

**Main Conditions****Status of compliance**

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>- All the shares of the company shall be held by Malaysians including at least 10% restricted and the company shall negotiate with the MITI before the distributions of the restricted shares. The company shall with its best endeavour undertake the measures to reorganise the share capital structure in relation to the participation of Bumiputera to comply with the aspirations of the New Economic Policy in the Outline Perspective Plan (1970-1990)</li> <li>- Should the company be allowed to become public and offer the public to acquire its shares, the capital structure, revaluation of assets, goodwill and profit/retained which is to become capital, the methods and basis of the issuance and allocation of the said shares shall be approved by the relevant government authorities</li> <li>- The compositions of the Board of Directors of the company shall generally reflect the equity structure of the company and the MITI shall be informed in relation to the appointment and any changes in the Board of Directors</li> <li>- The company take necessary measures including installation of the equipment to prevent air, water and noise pollution in accordance to the Akta Kualiti Alam Sekeliling, 1974</li> </ul> | <p>To be met pursuant to the Listing</p> <p>Met</p> <p>Complied</p> <p>Complied</p> |
| <p>(ii) Manufacturer's Licence dated 28 January 1993 issued to Jia In under the Sales Tax Act 1972 whereby Jia In is authorised to act as a licensed manufacturer effective from 18 November 1972. There is no conditions imposed under this licence.</p>  |   |
| <p>(iii) Licence for Printing Machine dated 10 October 2000 issued to Jia In under the Printing and Presses Act, 1984 whereby Jia In is authorised to store/use a printing machine at No. 1644, Mukim 10, Lorong Betek, Sungai Rambai, 14000 Bukit Mertajam, Pulau Pinang. There is no other conditions imposed under this licence except that the licence is required to be renewed annually.</p>   |   |
| <p>(iv) License for co-generation of electricity dated 23 November 2002 issued to NTPM under the Electricity Supply Act, 1990 whereby NTPM is authorised to use, utilise and handle a co-generation plant located at 886, Jalan Bandar Baru, Sungei Kechil, 14300 Nibong Tebal, Pulau Pinang to supply and utilise the energy for own use subject to the "Peraturan-Peraturan Elektrik, 1994" from 20 January 2003 to 19 January 2013.</p>   |   |

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**V. INFORMATION ON NTHB GROUP (Cont'd)**

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**9. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****9.1 Board of Directors**

The details of the Board of Directors of NTHB are as follows:

**Teoh Boon Beng @ Teoh Eng Kuan**, aged 70, a Justice of Peace, was appointed to the Board of Director as Chairman of NTHB on 26 April 2000. He obtained the Higher School Certificate in 1954. He is a businessman with vast experience and knowledge in various business sectors including rice milling, oil palm and rubber plantation and agriculture. Currently, he owns and operates a rice mill. He has been the deputy president of Kedah Chinese Chamber of Commerce and Industries since 1991. He also sits on the board of several private limited companies.

**Lee See Jin**, aged 64, was appointed to the Board of Directors of NTHB on 20 October 1996. He obtained the Higher School Certificate in 1960. He is the Managing Director of NTHB and a Director of all the subsidiaries of NTHB. He is a founder of the Group and has been in the paper industry for more than 25 years. Over these 25 years, he has gained in-depth experience and knowledge of the paper industry in Malaysia.

**Lee Chong Choon**, aged 38, was appointed to the Board of Directors of NTHB on 10 November 1999. He is the Executive Director of NTHB and also a Director of all the subsidiaries of NTHB. He holds a Diploma in Civil Engineering from the Singapore Polytechnic. He has extensive experience in process engineering and has provided NTHB Group with technical and manufacturing expertise. He has been the Financial Controller of NTPM from 1995 to 1997 and the Country Sales Manager of NTPM from 1997 to 1999. He has also been instrumental in spearheading the progress of the Group and the development of the Group's products.

**Teoh Teik Jin**, aged 36, was appointed to the Board of Directors of NTHB on 15 October 1999. He is also a Director of Jia In. He graduated from University of Southern California, US with a Bachelor of Science in Electrical Engineering (Computer). He later obtained a Master Degree in Business Administration from University of San Francisco. His first job was as a Marketing Officer in a Singapore listed company, SAL Leasing Pte Ltd before moving to ESSO Singapore Refinery as a Business Analyst. Subsequently, he joined a local public listed property company, Oriental Interest Bhd as a Manager and later Penpen Sdn Bhd as Project Manager before venturing into his own business. He currently sits of the board of his own private limited companies such as T. J. Civil & Structural Contractor Sdn Bhd and T. J. Computer Sdn Bhd as Managing Director. He is also a director of T. J. Aquaculture Sdn Bhd, Sampurna Wibawa Sdn Bhd and Teras Tuah Sdn Bhd.

**Lim Han Nge**, aged 48, was appointed as the Director on 29 January 2003. He graduated from Coventry University, United Kingdom with a Bachelor of Arts (Honours) in Business Law. Thereafter, he qualified as a barrister (Lincoln's Inn, United Kingdom) in 1978 and was called to the Malaysian Bar in November 1979. Since then, he has been in active local legal practice. He is a practising advocates & solicitor and is currently a partner in the legal firm of Messrs. Jin-Nge & Co, Alor Setar. He is a director of several private limited companies and is a legal adviser to several non-governmental organisations in Kedah.

## V. INFORMATION ON NTHB GROUP (Cont'd)

**Tan Hock Soon**, aged 31, was appointed as the Director of NTHB on 29 January 2003. He is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountant. He commenced his career as an Article Clerk with KPMG in January 1992 and left as an Audit Supervisor in June 1996. He joined CIMB in July 1996 before leaving as an Assistant Manager in March 1999 to set up his own business. He is currently an Executive Director of Merces Holdings Bhd, a company listed on the Second Board of the KLSE. He is also a Director of several other private limited companies.

Based on the Register of Directors' Shareholdings as at 7 March 2003 (being the last practicable date prior to printing of this Prospectus) the direct and indirect interests of the Directors in the shares of the Company, before and after the Offer for Sale, are as follows:

Designation	<-----Before the Offer for Sale----->				<-----After the Offer for Sale----->				
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		
	No. of NTHB Shares held	%	No. of NTHB Shares held	%	No. of NTHB Shares held	%	No. of NTHB Shares held	%	
Teoh Boon Beng @ Teoh Eng Kuan	Non-Executive Chairman	-	-	71,112,574 <sup>(ii)</sup>	11.40 <sup>(ii)</sup>	-	-	24,151,068 <sup>(ii)</sup>	3.87 <sup>(ii)</sup>
Lee See Jin	Managing Director	219,946,387	35.25	14,094,325 <sup>(i)</sup>	2.26 <sup>(i)</sup>	174,033,294	27.89	14,094,325 <sup>(i)</sup>	2.26 <sup>(i)</sup>
Lee Chong Choon	Executive Director	31,270,565	5.01	-	-	31,270,565	5.01	-	-
Teoh Teik Jin	Non Independent and Non-Executive Director	29,369,524	4.71	-	-	22,751,213	3.65	-	-
Lim Han Nge	Independent Non-Executive Director	-	-	-	-	-	-	-	-
Tan Hock Soon	Independent Non-Executive Director	-	-	-	-	-	-	-	-

**Notes:**

(i) Deemed interested by virtue of his spouse's interest in NTHB pursuant to Sections 6A and 122A of the Act.

(ii) Deemed interested by virtue of his shareholdings in Kota Beras Sdn Bhd and Teoh Peng Heong & Sons Sdn Bhd pursuant to Section 6A of the Act.

Save as disclosed below, none of the Directors hold any directorship or is a substantial shareholder in any public companies for the past two (2) years preceding the date of this Prospectus:

Name	Company	<-----Directorship----->		Shareholdings as at 7 March 2003					
		Date of appointment	Date of resigned/retired	<-----Direct----->	<-----Indirect----->	No of ordinary shares held	% held	No of ordinary shares held	% held
Tan Hock Soon	Merces Holdings Berhad	27 November 2001	-	-	-	-	-	-	-

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**V. INFORMATION ON NTHB GROUP (Cont'd)**

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**9.2 Senior Management**

Other than Lee See Jin and Lee Chong Choon, the Senior Management of NTHB Group are as follows:

**Lee Chong Chat**, aged 39, is the Director of NTPM. He obtained a Bachelor of Science Degree from Purdue University, US in 1986. After obtaining his Master of Science Degree from Utah State University, US in 1988, he joined CTL Environmental Services, US as a Project Engineer and then joined Ajit Randhava & Associates, US in 1990 as an Engineer. From 1992 to 1994, he worked as an Engineer in MMBP International Limited, Hong Kong. In 1994, he joined Bandar Bukit Kemuning Sdn Bhd as its Chief Engineer. Later in 1996, he joined Bridgecon Engineering Sdn Bhd as its Project Manager, before joining NTPM in 2000. He has been a member of the Board of Engineer, Malaysia since 1992. In 1995, he became a graduate member of the Institute Engineer of Malaysia and in 1996, he joined the Malaysian Institute of Management as an associate member. He was appointed the Director of NTPM on 5 October 2001 to oversee the Engineering Department.

**Lee Chong Loo**, aged 38, is the Director of NTE. He holds an Advance Diploma (ABE) from Kolej Damansara Utama. He joined NTPM in 1983 as the Transport and Store Manager. In 1993, he joined Kuang Tat Food Sdn Bhd as the Production and General Manager. Following that, he returned to NTPM in 2001 as the Procurement Manager. He was subsequently appointed as the Director of NTE on 5 October 2001 to oversee the Procurement Department of the Group.

**Lee Hooi Fung**, aged 37, is the Director of NTPP. She completed her Fifth Form education in 1984. She joined NTPM in 1999 as the Purchasing Manager. She was subsequently appointed as the Director of NTPP on 8 October 2001 to lead the Purchasing Department. Prior to joining NTPM, she was a partner in a private company involved in transportation.

**Phillip Foo Say Hai**, aged 48, is the Director of NTPP and oversees the Sales Department. He completed his vocational education in 1971. He joined NTPP on 1 September 1986. He has been with the Group for 15 years, and was the primary force in setting up the Singapore sales network and business organisation. Prior to joining NTPP, he was with Ajinomoto (S) Pte. Ltd. for nine (9) years.

**Tan Sin Wui**, aged 37, is the Director of Jia In. He holds a Certificate in Civil Engineering from Federal Institute of Technology and Certificate in Administrative Management from Stamford College. Prior to joining Jia In, he was an administrative executive of UV Pack Sdn Bhd from 1990 to 1992. In 1993, he joined Jia In and was appointed as a director of Jia In to lead the Production Department.

**Loo Hooi Hock**, aged 50, is the Director of Jia In. He completed his Fifth Form education in 1968. He started his career as an Apprentice in Sun Printer Sdn Bhd from 1970 to 1972. Later, he joined several private limited companies involved in printing as an Operator where he gained numerous years of experience between 1972 to 1989. In 1989, he joined Tien Wah Press Sdn Bhd in Johor as a Foreman before joining Vitapress in 1990 as a Manager. In 1992, he joined Jia In and was appointed as a director of Jia In to lead the Operation Department.

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V. INFORMATION ON NTHB GROUP (Cont'd)

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**Ong Swee Chye**, aged 40, is the Finance Manager of NTHB Group. He joined NTPM in April 1999. He holds a Diploma in Commerce (Management Accounting) from Tunku Abdul Rahman College and is a member of the Malaysian Institute of Accountants and the Chartered Institute of Management Accountants, United Kingdom. He started his career as an audit clerk in Horwath-Teoh Yap, Penang for three (3) years before joining Seagate Penang as an Accountant in 1989. In 1991, he moved on to Corrugated Carton Products (Kulim) Sdn Bhd as Accountant and was later promoted as Senior Manager of Operations prior to joining NTPM.

**Tan Chee Seng**, aged 38, is the Manufacturing Manager of NTPM. He holds a Bachelor Degree in Applied Science (Honours) from Universiti Sains Malaysia. He worked at Prime Pharmaceutical Sdn Bhd, a local pharmaceutical factory for three (3) years before joining NTPM in April 1993 as a Production Engineer. He held numerous positions in the company including Engineering Section Manager and Senior Engineering Section Manager in charge of front-of-line processes as well as wastewater treatment.

**Liou Hung Hong**, aged 32 is the Management of Information System and Operation Manager of NTPM since 1998. He graduated with a Bachelor of Science Degree with Honours in Computer Science from University Technology Malaysia in 1995. He started his career with Otis Manufacturing Company Sdn Bhd as a Systems Engineer in 1995 before joining Dataprop Technology Sdn Bhd in 1997.

**Mah Cheng Kok**, aged 43, is the Senior Technical Manager of NTPM since 1989. He holds a diploma in Electronics Engineering from Feng Chia University, Taiwan. He started his career as a Senior Technical Level 3 in Hewlett-Packard (Malaysia) Sdn Bhd in 1983 for six (6) years before joining NTPM. He has held numerous positions in NTPM including Senior Specialist Engineer and Senior Project Manager before appointed as the Senior Technical Manager.

**Teoh Keng Lee**, aged 34, is the Assistant National Sales Manager of NTE. He completed his Fifth Form education in 1987. He has been in the sales line since 1989 with Parkson Corporation Sdn Bhd, Boustead Trading (1985) Sdn Bhd and J.L. Morrison Son & Jones (M) Sdn Bhd before joining NTE in 1995 as the Key Accounts Manager.

## V. INFORMATION ON NTHB GROUP (Cont'd)

The shareholdings of the Senior Management of NTHB after the Offer for Sale on the assumption that they fully subscribe to their respective allocation of the Offer Shares reserved for the eligible employees of the NTHB Group are as follows:

	Designation(s)	After Offer for Sale			
		Direct		Indirect	
		No. of NTHB Shares	%	No. of NTHB Shares	%
Lee Chong Chat	Director of NTPM	-	-	-	-
Lee Chong Loo	Director of NTE	-	-	-	-
Lee Hooi Fung	Director of NTPP	-	-	-	-
Philip Foo Say Hai	Director of NTPP	-	-	-	-
Tan Sin Wui	Director of Jia In	-	-	-	-
Loo Hooi Hock	Director of Jia In	-	-	-	-
Ong Swee Chye	Finance Manager	250,000 <sup>(i)</sup>	0.04	-	-
Tan Chee Seng	Manufacturing Manager of NTPM	300,000 <sup>(i)</sup>	0.05	-	-
Liou Hung Hong	Information System and Operation Manager of NTPM	250,000 <sup>(i)</sup>	0.04	-	-
Mah Cheng Kok	Senior Technical Manager of NTPM	250,000 <sup>(i)</sup>	0.04	-	-
Teoh Keng Lee	Regional Manager of NTE	250,000 <sup>(i)</sup>	0.04	-	-

**Note:**

(i) Based on the assumption that they fully take up their respective entitlements in respect of the Offer Shares reserved for Application by the eligible employees of NTHB Group.

None of the Senior Management personnel currently holds any share in NTHB or holds any directorship or is a substantial shareholder in any public companies in the past two (2) years preceding the date of this Prospectus.

### 9.3 Employees

As at 31 January 2003, NTHB Group has a workforce of approximately 1,230 employees, of which all (except for a small number) are on permanent basis. As of 31 January 2003, 380 employees of NTHB Group are members of the Paper and Paper Products Manufacturing Employees Union. The remaining employees do not belong to any labour union. A collective agreement between NTPM and the union was previously signed on 1 January 1998 and had expired on 30 June 2001. The contract was subsequently renewed on 29 May 2001 for a period of 3 1/2 years with effect from 1 July 2001. No industrial disputes were noted between the Group and the union since its inception. In fact, over the years, the management has been maintaining a close and good relationship with all the employees.

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**V. INFORMATION ON NTHB GROUP (Cont'd)**


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The breakdown of employees by categories as follows:

Category of employee	Number of staff	Average number of years of service
Management & professional	63	9
Technical & supervisory	245	9
Clerical & related occupations	280	7
General workers – local	17	7
– foreign	8	7
Factory workers – skilled	396	6
– unskilled	221	7
	1,230	8

On average, the employees have been employed by NTHB Group for eight (8) years.

The Group places great emphasis in ensuring the continuous development and learning of its personnel. In order to ensure this, the Group focus on providing continuous in-house training on housekeeping, maintenance and production processes as well as ongoing external training to help its employees gain new knowledge and experience to help the Group to grow in the future.

The training and development programmes undertaken by NTHB Group between January 2000 and January 2003 are as follows:

Type of programmes	-----No. of programmes-----	
	Completed	On-going/planned
Technical	25	1
Managerial	20	1
Others	101	-
	146	2

#### 9.4 Family Relationship

Save for Lee Chong Choon, Lee Chong Chat, Lee Chong Loo who are the sons of Lee See Jin and Lee Hooi Fung who is the daughter of Lee See Jin, Teoh Boon Beng @ Teoh Eng Kuan who is the uncle of Teoh Teik Jin, none of the Directors and Senior Management are related to each other.

## V. INFORMATION ON NTHB GROUP (Cont'd)

## 10. SUBSTANTIAL SHAREHOLDERS AND PROMOTERS

## 10.1 Substantial Shareholders

Based on the Register of Substantial Shareholders as at 7 March 2003 (being the last practicable date prior to printing of this Prospectus), the direct and indirect interests of the Substantial Shareholders in the shares of the Company, before and after the Offer for Sale are as follows:

	←-----Before the Offer for Sale----->				←-----After the Offer for Sale----->			
	←-----Direct----->		←-----Indirect----->		←-----Direct----->		←-----Indirect----->	
	No. of NTHB Shares held	%	No. of NTHB Shares held	%	No. of NTHB Shares held	%	No. of NTHB Shares held	%
Lee See Jin	219,946,387	35.25	14,094,325 <sup>(i)</sup>	2.26 <sup>(i)</sup>	174,033,294	27.89	14,094,325 <sup>(i)</sup>	2.26 <sup>(i)</sup>
Lee Chong Choon	31,270,565	5.01	-	-	31,270,565	5.01	-	-
Lee Eng Sia	93,999,475	15.06	-	-	-	-	-	-
Teoh Boon Beng @ Teoh Eng Kuan	-	-	71,112,574 <sup>(ii)</sup>	11.40 <sup>(ii)</sup>	-	-	24,151,068 <sup>(ii)</sup>	3.87 <sup>(ii)</sup>
Kota Beras Sdn Bhd	31,176,596	5.00	-	-	24,151,068	3.87	-	-
Teoh Peng Heong & Sons Sdn Bhd	39,935,978	6.40	-	-	-	-	-	-
Teoh Teik Lin	32,390,985	5.19	-	-	25,091,799	4.02	-	-

**Notes:**

- (i) Deemed interested by virtue of his spouse's interest in NTHB pursuant to Sections 6A and 122A of the Act.
- (ii) Deemed interested by virtue of his shareholdings in Kota Beras Sdn Bhd and Teoh Peng Heong & Sons Sdn Bhd pursuant to Section 6A of the Act.

None of the Substantial Shareholders hold any directorships or is a substantial shareholder in any public companies for the past two (2) years preceding the date of this Prospectus.

Details of the Substantial Shareholders of NTHB Group after the Offer for Sale are as disclosed in Section 9.1 above.

## 10.2 Promoters

Lee See Jin, Lee Chong Choon, Teoh Teik Jin and Teoh Boon Beng @ Teoh Eng Kuan individually and collectively are Promoters of the Company. Their details are as disclosed in Section 9.1 above.

## V. INFORMATION ON NTHB GROUP (Cont'd)

## 10.3 Family Relationships

Save for Lee Eng Sia and Lee See Jin, who are brothers, Lee Chong Choon who is the son of Lee See Jin, Teoh Boon Beng @ Teoh Eng Kuan who is the father of Teoh Teik Lin and the uncle of Teoh Teik Jin, none of the existing Substantial Shareholders and/or Promoters of NTHB Group are related to each other.

## 10.4 Significant Changes in the Shareholdings of the Substantial Shareholders and Promoters

Save as disclosed below, there are no significant change in the direct and indirect shareholdings of the Substantial Shareholders or Promoters (holding 5% or more voting share capital) of NTHB Group for the past three (3) years from the date of this Prospectus:

Substantial Shareholders/ Promoters	As at 30 September 1998				As at 7 March 2003			
	← Direct →		← Indirect →		← Direct →		← Indirect →	
	No. of ordinary shares of RM1.00 each in NTHB	%	No. of ordinary shares of RM1.00 each in NTHB	%	No. of NTHB Shares	%	No. of NTHB Shares	%
Teoh Boon Beng @ Teoh Eng Kuan <sup>(iii)</sup>	-	-	441,577 <sup>(ii)</sup>	11.35 <sup>(ii)</sup>	-	-	71,112,574 <sup>(ii)</sup>	11.40 <sup>(ii)</sup>
Lee See Jin*	1,484,375	38.15	68,986 <sup>(i)</sup>	1.77 <sup>(i)</sup>	219,946,386	35.25	14,094,325 <sup>(i)</sup>	2.26 <sup>(i)</sup>
Lee Chong Choon*	194,176	4.99	-	-	31,270,565	5.01	-	-
Teoh Teik Jin*	182,371	4.69	-	-	29,369,524	4.71	-	-
Teoh Teik Lin <sup>(iii)</sup>	201,133	5.17	-	-	32,390,985	5.19	-	-
Teoh Peng Heong & Sons Sdn Bhd <sup>(iii)</sup>	247,984	6.37	-	-	39,935,978	6.40	-	-
Kota Beras Sdn Bhd <sup>(iii)</sup>	193,593	4.98	-	-	31,176,596	5.00	-	-
Lee Eng Sia <sup>(iii)</sup>	583,695	15.00	-	-	93,999,475	15.06	-	-

**Notes:**

\* Promoters.

(i) Deemed interested by virtue of his spouse's interest in NTHB pursuant to Sections 6A and 122A of the Act.

(ii) Deemed interested by virtue of his shareholdings in Kota Beras Sdn Bhd and Teoh Peng Heong & Sons Sdn Bhd pursuant to Section 6A of the Act.

(iii) These substantial shareholders will cease to be a substantial shareholder of NTHB upon completion of the Offer for Sale.