

6. INFORMATION ON THE SPRITZER GROUP

6.1 Incorporation

Spritzer was incorporated in Malaysia on 26 May 1993 as a private limited company under the Companies Act, 1965 as Spritzer Sdn Bhd. The Company was converted into a public limited company on 11 July 1994 and assumed its present name.

6.2 Share Capital and Changes in Share Capital

The existing authorised share capital is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each of which RM34,736,000 have been issued and fully paid-up comprising 34,736,000 ordinary shares of RM1.00 each.

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

Date of Allotment	No. of Ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
26.05.1993	2	1.00	Subscriber's shares	2
08.06.1994	54,998	1.00	Cash	55,000
22.06.2000	245,000	1.00	Rights Issue	300,000
23.06.2000	34,436,000	1.00	Issued pursuant to the Acquisitions	34,736,000

All the above 34,736,000 ordinary shares of RM1.00 each rank pari passu with each other.

6.3 Restructuring

The listing of Spritzer was approved by SC on 17 February 2000 and 21 April 2000, MITI on 28 October 1999 and 24 December 1999 and FIC on 10 December 1999 and 25 February 2000.

In conjunction with, and as an integral part of the listing and quotation for the entire issued and paid-up share capital of Spritzer on the Second Board of the KLSE, the Company undertook a restructuring scheme which involved the following:-

i) Rights Issue

Rights Issue of 245,000 new Shares at a price of RM1.50 per Share on the basis of approximately nine (9) new Shares for two (2) existing Shares each held in the capital of Spritzer. The Rights Issue was completed on 22 June 2000.

The rights issue price of RM1.50 per Share was arrived at after taking into consideration, inter-alia, the proforma consolidated NTA per Share of Spritzer as at 31 January 2000 of RM1.79. The rights issue price of RM1.50 per Share represents a discount of RM0.29 or 16.2% to the proforma consolidated NTA per Share of SB as at 31 January 2000.

ii) Disposal of JRSB by CS to CSR

JRSB was a wholly owned subsidiary of CS. JRSB has not commenced any business activities. It holds 3 pieces of vacant land properties in Taiping :-

Location/Title	Land Area	Tenure
Lot 692 Mukim of Kamunting, District of Larut & Matang	12.075 acres	Freehold
Lot 2181-2184 Mukim of Tupai, District of Larut & Matang	1.187 acres	Freehold
Lot 150 Bandar Taiping, District of Larut & Matang	17,708 sq. ft	Freehold

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

As at 31 May 1999, JRSB owed CS RM4,716,846 arising mainly from advances from CS for the purchase of the three (3) pieces of land. As part of CS's efforts to streamline its operations, CS disposed of JRSB at cost to CSR, a company wholly owned by the Lim Family, for a cash consideration of RM2.00. In return, CSR made full repayment of the advances totaling RM4,716,846 owing by JRSB to CS.

The disposal of JRSB was completed on 31 May 2000 with the payment of cash of RM4,716,848 by CSR to CS.

iii) Acquisition of CS

Acquisition of the entire issued and paid-up capital of CS comprising 10,000,000 Shares for a total consideration of RM38,847,944. The total purchase consideration is based on the audited NTA of CS of RM34,531,993 as at 31 May 1999 and after adjusting for a revaluation surplus of RM4,315,951. (Please refer to Section 6.5 for details of CS's properties and the corresponding revaluation surpluses).

The total purchase consideration of RM38,847,944 was satisfied by payment of RM3,884,794 in cash and the balance of RM34,963,150 by the issuance of 20,291,538 new Shares at an issue price of approximately RM1.723 each to the following vendors:-

Vendor	No of CS shares sold	Shares issued	Cash RM
YLH	3,726,730	7,562,105	1,447,814
TWC	1,361,000	2,761,678	528,708
CSR	41,307	83,818	16,046
Huang Meng Hong @ Fong Chan Shong	495,000	1,004,431	192,293
Eng Kok Onn @ Wong Kok Onn	322,500	654,402	125,282
Lim A Heng @ Lim Kok Cheong, JP	1,479,932	3,003,010	574,910
Lim Kok Boon	1,439,000	2,919,952	559,009
Tan Pin Hor @ Tan Boon Hock	123,000	249,586	47,782
Chok Hooa @ Chok Yin Fatt, PMP	78,915	160,131	30,656
Thang Lai Sung	78,915	160,131	30,656
Low Bok Tek	77,066	156,379	29,938
Chua Yew Hoe & Sons Holdings Sdn Bhd	76,500	155,230	29,718
Chua Tiong Lee	73,983	150,123	28,740
Dr Chuah Chaw Teo	73,983	150,123	28,740
Sow Yeng Chong	73,983	150,123	28,740
Leong Ng Wah	69,000	140,012	26,805
Liong Chan Koa @ Leong Chin Kwang	69,000	140,012	26,805
Chan Ah Hong	61,653	125,103	23,950
Lim Kong Chuan	52,500	106,531	20,395
Ang Kar Eng	38,533	78,189	14,969
Liong Ong Siang @ Leong Ng Seong	34,500	70,006	13,402
Chong Mee Yoong	30,000	60,875	11,654
Goh Hock Seng	30,000	60,875	11,654
Lim Keng Boon	30,000	60,875	11,654
Thambi Raja A/L S. Arunasalam	30,000	60,875	11,654
Leong Ng Chow	13,500	27,394	5,244
Poh Ah Chor	12,000	24,350	4,662
Prau A/L Prah Vichan	7,500	15,219	2,914
	10,000,000	20,291,538	3,884,794

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

The conditional sale and purchase agreement was signed on 22 May 2000 and the Acquisition of CS was completed on 23 June 2000. The shares are acquired free from encumbrances and rank pari passu with the existing shares. The source of the cash payment of RM3,884,794 to be made to the vendors will be raised from the Public Issue.

The issue price of RM1.723 for the Acquisitions was arrived at after taking into consideration the audited proforma NTA of the Spritzer Group as at 31 May 1999 and the targeted issued and paid-up capital of RM49,000,000. The issue price of RM1.723 represents a discount of 3.74% to the audited proforma Group NTA per share of RM1.79 for the Spritzer Group as at 31 January 2000 (please refer to Section 7.6 of this Prospectus for further details).

iv) Acquisition of GPI

Acquisition of the entire issued and paid-up capital of GPI comprising 5,200,000 shares for a total consideration of RM22,507,085. The total purchase consideration is based on the audited NTA of GPI of RM21,478,696 as at 31 May 1999 and after adjusting for a revaluation surplus of RM1,028,389. (Please refer to Section 6.5 for details of GPI's properties and the corresponding revaluation surpluses).

The total purchase consideration of RM22,507,085 was satisfied by payment of RM2,250,708 in cash and the balance RM20,256,377 by the issuance of 11,756,178 new Shares at an issue price of approximately RM1.723 each to the following vendors:-

Vendor	No of GPI shares sold	Shares issued	Cash RM
YLC	4,607,596	10,416,869	1,994,299
Lam Sang	592,404	1,339,309	256,409
Total	5,200,000	11,756,178	2,250,708

The conditional sale and purchase agreement of GPI was signed on 22 May 2000 and the Acquisition of GPI was completed on 23 June 2000. The shares are acquired free from encumbrances and rank pari passu with the existing shares. The source of the cash payment of RM2,250,708 to be made to the vendors will be raised from the Public Issue.

v) Acquisition of CSC

Acquisition of the entire issued and paid-up capital of CSC comprising 450,000 shares for a total consideration of RM3,757,347. The total purchase consideration is based on the audited NTA of CSC of RM3,091,283 as at 31 May 1999 and after adjusting for a revaluation surplus of RM666,064. (Please refer to Section 6.5 for details of CSC's properties and the corresponding revaluation surpluses).

The total purchase consideration of RM3,757,347 was satisfied by payment of RM375,735 in cash and the balance RM3,381,612 by the issuance of 1,962,584 new Shares at an issue price of approximately RM1.723 each to the following vendors:-

Vendor	No of CSC shares sold	Shares Issued	Cash RM
CSR	450,000	1,962,584	375,735
Total	450,000	1,962,584	375,735

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

The conditional sale and purchase agreement of CSC was signed on 22 May 2000 and the Acquisition of CSC was completed on 23 June 2000. The shares are acquired free from encumbrances and rank pari passu with the existing shares. The source of the cash payment of RM375,735 to be made to the vendors will be raised from the Public Issue.

vi) Acquisition of PM

Acquisition of the entire issued and paid-up capital of PM comprising 500,000 shares for a total consideration of RM814,998. The total purchase consideration is based on the audited NTA of PM of RM814,998 as at 31 May 1999.

The total purchase consideration of RM814,998 was satisfied by payment of RM81,500 in cash and the balance RM733,498 by the issuance of 425,700 new Shares at an issue price of approximately RM1.723 each to the following vendor:-

Vendor	No. of PM shares sold	Shares issued	Cash RM
YLH	500,000	425,700	81,500
Total	500,000	425,700	81,500

The conditional sale and purchase agreement of PM was signed on 22 May 2000 and the Acquisition of PM was completed on 23 June 2000. The shares are acquired free from encumbrances and rank pari passu with the existing shares. The source of the cash payment of RM81,500 to be made to the vendors will be raised from the Public Issue.

vii) Public Issue and Offer for Sale

Spritzer will issue 14,264,000 new Shares or 29.11% of its enlarged issued and paid-up share capital at an issue price of RM1.70 per share pursuant to the Public Issue thereby increasing its issued and paid-up capital to RM49,000,000. In addition, some of the shareholders in Spritzer will offer for sale 6,821,000 Shares in Spritzer at an Offer Price of RM1.70 per Share to Bumiputera investors approved by MITI and the existing minority shareholders of YLC.

The total Offer/Issue of 21,085,000 Shares (comprising the Public Issue of 14,264,000 new Shares and the Offer for Sale of 6,821,000 Shares) representing 43.03% of the enlarged share capital of 49,000,000 Shares will be issued/offered to the following parties :-

- ◆ 912,000 Shares representing 1.86% of the enlarged share capital to be allocated to eligible employees of the Spritzer Group;
- ◆ 14,430,000 Shares representing 29.45% of the enlarged share capital to be allocated to eligible Bumiputera investors approved by MITI;
- ◆ 2,000,000 Shares representing 4.08% of the enlarged share capital to be allocated to the minority shareholders of YLC; and
- ◆ The balance of 3,743,000 Shares representing 7.64% of the enlarged share capital to be allocated to the Malaysian public, of which 30% will be set aside for Bumiputera individuals, companies, co-operatives, societies and institutions.

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

viii) Listing

Admission to the Official List of the listing of the enlarged issued and paid-up share capital of Spritzer of 49,000,000 Shares on the Second Board of the KLSE.

6.4 Directors, Management Team and Employees

a) Board of Directors

Mr. Lim A Heng @ Lim Kok Cheong, JP, aged 55, joined the Board of Spritzer on 22 June 2000 and was appointed Non-Executive Chairman of Spritzer on the same day. He has more than 35 years of experience in the trading and manufacturing of edible oils and consumer goods industry. He was appointed Deputy Chairman and Group Managing Director of YLC (a company listed on the Main Board of the KLSE) in 1993 and is still holding that two positions. Mr. Lim also sits on the Board of several private limited companies. He was formerly the President of Malaysian Eng Choon Association. He is also the Vice-President of Malaysian Basketball Association and Chairman of Poi Lam High School.

Mr. Lim Kok Boon, aged 45, joined the Board of Spritzer on 22 June 2000 and was appointed the Managing Director of Spritzer on the same day. In 1979, he incorporated CSC, which was involved in the sales and distribution of biscuits and confectionery and subsequently bottled drinks. He is instrumental in the growth of CS when it successfully switched to the production of bottled water in 1988. Since then, Mr. Lim has been overseeing the entire day-to-day operations of the Spritzer Group. Mr Lim sits on the Boards of CSC, CS and PM after being appointed there in October 1979, April 1980 and April 1994 respectively. He also sits on the Boards of a few other private limited companies.

Dr. Chuah Chaw Teo, aged 49, is the Executive Director of Spritzer. He was appointed to the Board on 16 May 1994. He is also the General Manager of CS and a director of GPI and PM. He oversees the plant operations and quality aspect of the bottled water produced by CS. He is also responsible for the product development, quality control and improvement of CS's products. Dr. Chuah obtained his Bachelor of Science (Honours) degree in 1975 and his Doctorate in Applied Organic Chemistry in 1979 from the University of Otago, New Zealand. Dr. Chuah's working experience include being a teaching assistant in the Polymer Laboratory, State University of New York from 1980 to 1982 and a Research Associate in University of Malaya in 1982. From 1983 to June 1997, he worked for YLC in various capacity as Chief Chemist, Research & Development Manager, and later as General Manager (R & D). He joined CS as its General Manager in July, 1997. He was also a member of the Committee set up by SIRIM in 1991 to produce a draft on Malaysian Standards Specification on Natural Mineral Water.

Mr. Lim Kong Chuan, aged 80, is a Non-Executive Director of Spritzer. He joined the Board of Spritzer on 21 June 2000. He incorporated CSC in 1979 together with Mr. Lim Kok Boon. He has more than 50 years of experience in the trading and manufacturing of biscuits and confectionery. Mr. Lim also sits on the Boards of CSC and CS after being appointed there in September 1979 and April 1980 respectively. Mr Lim Kong Chuan is also a director and substantial shareholder of CSR.

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

Encik Mohd Adhan Bin Kechik, SMK aged 45, is a Non-Executive Director of Spritzer. He is a lawyer by profession and was appointed to the Board on 16 May, 1994. He graduated from University of Malaya in 1979 with a Bachelor of Laws (Honours) degree and obtained his Master of Laws degree from the same university in 1999. Currently, he is practising as a partner at Messrs Adhan & Co in Kuala Lumpur. Prior to setting up his own private practice in Kota Bharu in 1984, he was attached to the Legal and Judicial Department for 5 years (1979-1983) serving in the Magistrate Court, High Court, Public Trustee's office and the Attorney General's office before being appointed the Legal Adviser to the Ministry of Transport in 1983. He also served the State Government of Kelantan for 4 years as the Menteri Besar's political secretary (1986-1990) and was elected as the State Assemblyman of Kemahang (1995-1999). He also sits on the Board of Lembaga Perlesenan Kenderaan Perdagangan Malaysia (LPKP), Lembaga Kemajuan Kelantan Selatan (KESEDAR) and currently is the Chairman of Pertubuhan Peladang Negeri Kelantan. He is actively involved in social and community services. He also sits on the Board of YLC after being appointed in 1993.

IR. Nik Mohamad Pena Bin Nik Mustapha, aged 49, is a Non-Executive Director of Spritzer. He joined the Board on 14 July 1997. Ir Nik Mohamad Pena is a consultant engineer and Managing Director of Nik Jai Associates Sdn Bhd, a company of civil and structural engineering consultants. He obtained his degree of Bachelor of Science (Civil Engineering) from University of Glasgow, United Kingdom in 1975. He started his career as a civil engineer with Jabatan Kerja Raya ("JKR") in 1975 and was promoted to the post of Senior Executive Engineer in 1980. He left JKR in 1983 and became a partner of Tengku Sidek Associates, an engineering consulting firm. In 1985, he set up his own partnership firm, Nik Jai Associates. Subsequently in 1990, he incorporated his company, Nik Jai Associates Sdn Bhd which specialises in multi-storey buildings, highways and bridges and water resources. Ir. Nik Mohamad Pena holds professional memberships in the following professional bodies, namely, The Board of Engineers Malaysia, Institution of Engineers Malaysia, Institution of Highways and Transportation United Kingdom, Chartered Professional Engineers Australia and Association of Consulting Engineers Malaysia. Ir. Nik Mohamad Pena advises the Board on all matters relating to civil and structural aspect of the Group's buildings.

b) Management Team

The management team of Spritzer Group is headed by Mr. Lim Kok Boon as the Managing Director. He is assisted by Dr. Chuah Chaw Teo and the following key management personnel :

Mr. Lam Sang, aged 50, is the Executive Director of GPI. He has more than 25 years of experience in the manufacturing of PVC Plastics, PET and plastic moulding, toothbrush manufacturing and marketing. He joined GPI as an Executive Director. Prior to joining GPI in 1983, he was the Sales Manager of United Plastic Sdn Bhd, a plastic manufacturing company from 1969 to 1980. He was formerly the Chairman of the Malaysian Plastics Manufacturers Association, Perak branch.

Miss Chong Mee Yoong, aged 35, is the Senior Manager (Operations) of CS. She graduated from Universiti Kebangsaan Malaysia with a Bachelor of Science (Honours) degree, majoring in Food Science & Nutrition in 1990. She joined CS as Food Technologist in 1991 and was promoted to her current position on 1 January 1998. She oversees the plant operations and quality control department of CS.

Mr. Yap Mou Kar, aged 44, is the Production Manager of GPI. Mr Yap joined GPI in 1983 as a Factory Supervisor. Prior to joining GPI, Mr. Yap was a Maintenance Supervisor of United Plastic Sdn Bhd. Mr. Yap has over 20 years of experience in plastic processing since he obtained his Diploma in Mechanical Engineering in 1975. He was promoted to his current position on 1 May 1997.

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

Mr. Thee Choon Guan, aged 34 is the Production Manager of CS. Mr. Thee graduated in 1991 with an Honours Degree in Chemical Engineering from University of New South Wales, Australia. He joined CS as its Production Manager on 23 August 1997. He is responsible for the entire production function of CS. Mr. Thee started his career with Cranberry (M) Sdn Bhd as Process Engineer in 1992 and subsequently as its Assistant Manager (Engineering). He left Cranberry (M) Sdn Bhd in 1996.

Mr. Lee Kue Yang, aged 46, is the Factory Manager of CS. He joined CS in early 2000 in the same capacity. Mr. Lee obtained his Diploma in Management Studies from the Institute of Strategic Management, United Kingdom. He worked as a Production Supervisor with Penfibre Sdn Bhd, Butterworth from 1975 to 1978 and subsequently as a Factory Supervisor with Fraser & Neave (M) Sdn Bhd, Butterworth from 1978 to 1996. He later worked as a Plant Manager with East Coast Bottling Sdn Bhd in Kuantan from 1996 to 1998 and in a similar capacity with SV Beverages (M) Sdn Bhd from 1998 to early 2000. Mr. Lee is responsible for the entire factory operations of CS.

Mr. Lim Wai Mun, aged 35, is the Operation Manager of GPI. He oversees the plant operations, administration and purchasing department of GPI. He is also responsible for the store management, quality control and improvement of GPI's products. Mr. Lim obtained his Bachelor of Science (Honours) Degree from University of Malaya in 1989. His working experience included being a Production Executive in ALPS Electric (M) Sdn Bhd from 1989 to 1991 and subsequently a Warehouse Senior Executive in YAMAHA Electronics Mfg. (M) Sdn Bhd from 1991 to 1994. From 1994 to 1997, he worked for Yongxin Magnetic Tape Mfg. Ltd. as the Production Manager based in China. Prior to joining GPI on 22 November 1999 as Operation Manager, he was the Factory Manager of ICT Industrial Sdn Bhd, a subsidiary of Noblecorp Group, from 1997 to 1999.

Mr. Chew Sam Lim, aged 41, is the Accountant of CS. He joined CS on 1 May 1995 in the same capacity. Mr. Chew is an associate member of Association of Chartered Certified Accountants and a member of Malaysian Institute of Accountant. Mr. Chew started his career in KPMG Peat Marwick in 1979. Prior to joining CS in 1995, Mr. Chew served as Audit Supervisor of Russ Ooi & Associates. He is responsible for the accounting, tax and financial functions of CS, CSC and PM.

Miss Alice Ooi Wai Kwan, aged 31, is the Accountant of GPI. She joined GPI on 1 October 1997 in the same capacity. She obtained her Honours Degree in Bachelor of Accounting from University Utara Malaysia in 1994. She started her career in KPMG Peat Marwick in 1994 and held the position of Senior Auditor prior to joining GPI in 1997. Miss Ooi is a member of the Malaysian Institute of Accountant.

Mr. Tay Guan Leong, aged 48, is the Sales Manager of CSC. He has over 25 years of experience in sales of biscuits, confectionery, beer and bottled drinks. He joined CSC in 1981 as a salesman and assumed his present position on 1 January 1988. Mr Tay is responsible for the sales operation of CSC.

Mr. Chuah Teong Eng, aged 48, is the Sales Executive of CSC. He has over 20 years experience in the sales of water, pharmaceutical products, cosmetics and other consumer products. He joined CSC in 1996 as a Sales Supervisor and was promoted to his present position on 1 June 1997.

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

Mr. Tan Eng Bong, aged 35, is the Engineer of CS. Mr. Tan joined CS on 1 August 1997 in the same capacity. Mr. Tan graduated from Feng Chia University, Taiwan with a Diploma in Electrical Engineering in 1984. Mr Tan worked as Technician with K & R, Singapore in 1985 and subsequently as a Technician with Kentucky Fried Chicken in 1986. He later worked as a salesman with Hanemae, Kuala Lumpur (1987 to 1990) and as a technician with Yeo Hiap Seng Ltd, Singapore (1991 to 1993). Prior to joining CS, he was a Service Engineer with Tetra Pak (M) Sdn Bhd (1993 to 1997). Mr. Tan is responsible for the plant maintenance of CS.

Mr. Thean Kit Yoong, aged 25, is the Production Executive of GPI. He graduated from University of Malaya with an Honours Degree in Bachelor of Mechanical Engineering in 1999. Prior to joining GPI on 7 September 1999 as Production Executive, he worked as a Production Engineer with Hovid Sdn Bhd. He is responsible for the plant maintenance of GPI.

Miss Leang So Cheng, aged 32, is the Quality Assurance Executive of CS. She graduated from Universiti Sains Malaysia with a Bachelor of Science (Honours), majoring in Chemistry in 1993. Prior to joining CS in 1997, she worked as Chemist/QA Executive with Cranberry (M) Sdn Bhd (1993 to 1994) and subsequently as a secondary school teacher. She is responsible for the quality control function and maintenance of the ISO 9002 quality documentation of the CS. She was appointed to her current position on 1 April 1999.

En. Zubir bin Omar, aged 31, is a Quality Assurance Executive of CS. He graduated from Universiti Sains Malaysia with a Bachelor of Science (Honours) degree, majoring in Microbiology in 1992. Prior to joining CS in January 1994, he worked as a Microbiologist with Chemical Laboratory (M) Sdn Bhd. He is responsible for the quality control function of CS. He was appointed to his current position on 17 January 1994.

c) Employees

As at 10 July 2000, the Group employs a total of 345 employees. The management of the Group enjoys a good relationship with the employees. The employees do not belong to any organised union.

d) Family Relationship

Save as disclosed below, none of the Directors and senior management are related to each other:-

- Mr. Lim Kong Chuan is the father of Mr. Lim A Heng @ Lim Kok Cheong, JP and Mr. Lim Kok Boon.
- Mr. Lim A Heng @ Lim Kok Cheong, JP and Mr. Lim Kok Boon are brothers.

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

6.5 Summary of Properties

The properties held by the Spritzer Group as at 31 May 1999 are as follows:-

Location/Title	Description/ Existing Use	Land Area/ (Built up) (Sq metre)	Approx. age of buildings	Tenure	Open Market Value as appraised on 6 September 1999 (RM)	Valuation as approved by the SC (RM)	Audited Net Book Value as at 31 May 1999 (RM)	Revaluation Surplus (RM)	Condition/s imposed by SC^^
CS (Registered owner)									
Lot Nos. 898, 899, North-Western Portion of Lot 894, Lots 135 & 814, Title Nos. Mukim Geran 300, Geran 5816, Geran 34769, Pajakan Negeri 2577 and Geran Mukim 313 respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan	Industrial/ Development land	144,422 (16,162)	factory/office - 5 years warehouse - 1 year	<u>Lot 135</u> - 999 years expiring 31.08.2890 <u>Remaining Lots</u> - Freehold	15,400,000	12,900,000	10,676,055	2,223,945	To obtain approval to convert Lot 899 and part of Lot 894 to industrial use and to rectify any extensions that were not approved before issue of prospectus.
Lot Nos. [P.T] 4549, 4552, 4553, 4554, 4559, 4560, 4561 & 4562, Title Nos. H.S. (D) L & M 2361, 2364, 2365, 2366, 2371, 2372, 2373 and 2374 respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan	8 units single storey terrace houses	1,537 (669)	5 years	93 years expiring 13.11.2084	580,000	580,000	379,351	200,649	-

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Location/Title	Description/ Existing Use	Land Area/ (Built up) (Sq Metre)	Approx. age of buildings	Tenure	Open Market Value as appraised on 6 September 1999 (RM)	Valuation as approved by the SC (RM)	Audited Net Book Value as at 31 May 1999 (RM)	Revaluation Surplus (RM)	Condition/s imposed by SC^^
<i>CS (Registered owner) (continue from previous page)</i>									
Lot Nos. 1595, 384, 385, 386, 454, undivided 212/240 shares in Lot 387 and south-eastern portion of Lot 894, Title Nos Geran 31600 (formerly C.T. 7366), Geran Mukim 315, EMR 615, EMR1374, Pajakan Negeri 3176, EMR 1373 and Geran 34769 respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan	Agricultural/ Development land	197,069 (0)	N.A.	<u>Lot 454</u> - 999 years expiring 28.11.2894 <u>Remaining Lots</u> - Freehold	2,370,000	2,370,000	1,052,513	1,317,487	To issue separate title deed for the undivided share portion of 212/240 for Lot 387 before issue of prospectus.
Lot Nos. 3746 & 3732, Title Nos, H.S. (D) L & M 40/76 and 138/75 respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan	Industrial/ Factory/ Office Complex	1,639 (1,291)	10 to 18 years	<u>Lot 3746</u> - 60 years expiring on 17.08.2036 <u>Lot 3732</u> - 60 years expiring on 22.08.2035	1,070,000	900,000	326,130	573,870	To rectify extensions that were not approved for Lot 3746 and Lot 3732 before issue of prospectus..
				Subtotal	19,420,000	16,750,000	12,434,049	4,315,951	

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Location/Title	Description/ Existing Use	Land Area/ (Built up) (Sq Metre)	Approx. age of buildings	Tenure	Open Market			Revaluation Surplus (RM)	Condition/s imposed by SC^^
					Value as appraised on 6 September 1999 (RM)	Valuation as approved by the SC (RM)	Audited Net Book Value as at 31 May 1999 (RM)		
<u>GPI (Registered owner)</u> Lot No. P.T. 77 Title No. H.S.(D) Ka 6980/85, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Industrial/ Factory Complex	4,047 (2,539)	16 to 33 years	99 years expiring 05.04.2066	1,370,000	1,370,000	1,241,053	128,947	To obtain approval for building plans and Certificate of Fitness for Occupation before issue of prospectus.
Lot No. 10647 Title No. Pajakan Negeri 78371, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan	Vacant Industrial Land	16,190	N.A	60 years expiring 06.03.2050	610,000	610,000	605,135	4,865	-
Lot Nos. 181632 & 181633 Title Nos. Pajakan Negeri 89483 & 89484, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	Industrial/ Factory Complex	17,502 (11,080)	factory/office - 6 years warehouse - 3 years	99 years expiring 17.10.2089	9,490,000	9,490,000	8,595,423	894,577	-
	Subtotal				11,470,000	11,470,000	10,441,611	1,028,389	

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Location/Title	Description/ Existing Use	Land Area/ (Built up) (Sq Metre)	Approx. age of buildings	Tenure	Open Market Value as appraised on 6 September 1999 (RM)	Valuation as approved by the SC (RM)	Audited Net Book Value as at 31 May 1999 (RM)	Revaluation Surplus (RM)	Condition/s imposed by SC^^
CSC (Registered owner)									
Lot Nos. P.T. 4863 & P.T. 4864 Title Nos. H.S. (D) L & M 11384 & 11385 respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan	Vacant Industrial Land	2,916	N.A	Freehold	860,000	700,000	238,299	461,701	-
Lot No. 3729 Title No. H.S. (D) L & M 124/75, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan	Industrial/ Factory/ Office Complex	1,028 (782)	6 to 25 years	60 years expiring 22.08.2035	615,000	500,000	295,637	204,363	To rectify extensions that were not approved before issue of prospectus.
Subtotal					1,475,000	1,200,000	533,936	666,064	
Total					32,365,000	29,420,000	23,409,596	6,010,404	

^^ Spritzer had complied with all the conditions imposed by SC save for the condition related to Lot 387 belonging to CS. This was because the co-owner of Lot 387 could not be located and hence a separate title deed for the undivided share portion of 212/240 for Lot 387 could not be issued. On 5 May 2000, CS had entered into a sale and purchase agreement to dispose the undivided share portion of Lot 387 to an unrelated party, Mr Tan Hooi Meng. However, in the event that the disposal of the undivided share portion of Lot 387 could not be completed within three(3) months from the date of the sale and purchase agreement, the Board of Directors of CS had undertaken to complete the said disposal to another party within six(6) months from the date of listing of Spritzer. In view of this, the SC had vide its letter dated 26 June 2000 waived the condition imposed on Lot 387.

Note :

- In September 1999, an independent firm of professional valuers Colliers Jordan Lee & Jaafar Sdn Berhad placed an open market value totalling RM32,365,000 on the above properties. The Securities Commission had on 17 February, 2000 approved the valuation of the abovesaid properties at RM29,420,000. The resultant revaluation surplus of RM6,010,404 had been incorporated into the respective books of the subsidiaries of Spritzer Bhd for the year ended 31 May 2000.
- The Open Market Value of all the above properties are determined by using the "Comparison and Investment" Method of Valuation.

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

6.6 Subsidiaries and Associated Companies

Name	Date & Place of incorporation	Issued and Paid-up Share Capital (RM)	Effective equity interest %	Year of commencement of business	Principal Activity
<i>Subsidiary companies of Spritzer</i>					
CS	20.05.77 Malaysia	10,000,000	100	1988*	Producing natural mineral water, carbonated flavoured water, distilled water and drinking water
GPI	21.06.67 Malaysia	5,200,000	100	1983**	Producing pre-forms for PET bottles, PET bottles, toothbrush and other plastic products
CSC	29.10.79 Malaysia	450,000	100	1980	Distribution of bottled water products and other consumer goods
PM	11.12.86 Malaysia	500,000	100	1994	Producing PET bottles and PP Cups

* Indicates the year of commencement of the core business of producing natural mineral water.

** Indicates the year of commencement of the present business of producing PET bottles, toothbrush and other products.

6.6.1 CS

(i) History and Business Overview

CS was incorporated in Malaysia under the Companies Act, 1965 on the 20 May 1977 as a private limited company under the name of Kwong Fun Kee Chan Sdn Bhd. It changed its name to Chuan Sin Sdn Bhd on 5 December 1980. CS has no subsidiary or associated companies.

The existing shareholders acquired CS in 1981 and it was then involved in the manufacturing and packing of biscuits, confectionery, toiletries, and drinks. In order to streamline its operations, the manufacturing of biscuits, confectionery and toiletries was phased out from 1988 to 1989. The plant and machineries were then divested when CS changed its principal activity to the manufacture of bottled water. Its natural mineral water, distilled and drinking water and carbonated water plants are all presently located on a 70 acre site situated at Lot 898, 899 and 894 Jalan Reservoir, Off Jalan Air Kuning, Taiping.

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

CS's mineral water plant has 4 lines for the production of mineral water and the carbonated water plant has 1 line for the production of carbonated water. The mineral water plant is presently running 1 to 2 shifts depending on order requirements and the carbonated water plant is running 1 shift. The distilled and drinking water plant has 3 lines for the production of distilled and drinking water and is running 1 to 2 shifts.

CS's plant capacities per month are : 3.2 million litres for natural mineral water, 3 million litres for distilled water and 5 million litres for the whole range of carbonated water. Its mineral water plant is presently being utilised at approximately 75% capacity, the carbonated water plant at 5% and the distilled water and drinking water plant at 30% capacity. The average monthly production are 2.4 million litres of mineral water, 0.7 million litres of distilled water, 0.1 million litres of drinking water and 0.2 million litres of carbonated water. The major brands manufactured by CS are "Spritzer", "Spritzer POP", "Spritzer GO!", "Cactus" and "Cactus Soda". As at 10 July 2000, CS employs 191 employees.

(ii) Share Capital

The existing authorised share capital is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each of which RM10,000,000 have been issued and fully paid-up comprising 10,000,000 ordinary shares of RM1.00 each.

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

Date of Allotment	No. of ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
20.05.1977	2	1.00	Cash	2
30.11.1977	1	1.00	Cash	3
14.09.1980	6,000	1.00	In exchange for land held under H.S.(D) 38/75 Larut & Matang, Mukim Tupai, Lot 3732, Daerah Larut & Matang	6,003
16.09.1980	4,999	1.00	Cash	11,002
30.04.1981	94,846	1.00	Capitalisation of Assets Revaluation Reserve	105,848
01.05.1981	2	1.00	Cash	105,850
01.08.1981	2	1.00	Cash	105,852
01.12.1981	394,150	1.00	Cash	500,002
01.09.1982	5,000	1.00	Cash	505,002
20.09.1986	5,000	1.00	Cash	510,002

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

Date of Allotment	No. of ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
07.12.1987	86,375	1.00	Cash	596,377
16.03.1992	583,623	1.00	Cash	1,180,000
20.08.1993	1,770,000	1.00	Cash	2,950,000
28.05.1994	150,000	1.00	Cash	3,100,000
30.05.1994	1,900,000	1.00	Cash	5,000,000
29.05.1997	2,500,000	1.00	Cash	7,500,000
30.05.1997	2,500,000	1.00	Cash	10,000,000

(iii) Profit and Dividend

A summary of the audited accounts of CS for the past five (5) financial years ended 31 May 1999 and the audited accounts for the eight (8) months ended 31 January 2000 are as follows:

	←-----Financial Years Ended 31 May ----->					Eight (8) months ended 31 January 2000 RM'000
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	
Turnover	17,140	21,281	26,648	35,825	29,029	22,810
Profit before taxation	3,556	4,181	5,785	7,116	4,321	3,839
Less: Taxation	79	(1,140)	(1,228)	456	(355)	(913)
Profit after taxation	3,635	3,041	4,557	7,572	3,966	2,926
Weighted average number of Shares in issue ('000)	5,000	5,000	10,000	10,000	10,000	10,000
Net EPS (sen)	72.70	60.82	45.57	75.72	39.66	43.89 [^]
Gross dividend rate (%)	6	8	10	10	10	-

[^] Annualised

Notes:-

- (a) The taxation charges have been arrived at after adjusting for over and under provision for taxation to the respective financial years for which the taxation charges were agreed with the tax authorities;
- (b) The net EPS has been calculated based on the profit after taxation and the weighted number of ordinary shares in issue for each of the financial years reported;

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

- (c) *There were no exceptional or extraordinary items in respect of all the financial years under review;*
- (d) *The increase in profit before taxation for 1997 was due to an increase in sales while costs have remained constant;*
- (e) *The increase in turnover for 1998 was due mainly to the introduction of Spritzer POP, a new carbonated fruit flavored drink. The water shortage in Kuala Lumpur as well as the Commonwealth Games in 1998 have also contributed to this increase; and*
- (f) *The decrease in profit before taxation in 1999 was due to higher depreciation charges resulting from a new blow molding machine purchased during the year. Higher interest cost as a result of a full year's fixed and hire purchase loan interest incurred also contributed to the decrease.*

6.6.2 GPI

(i) History and Business Overview

GPI was incorporated in Malaysia under the Companies Act 1965 on 21 June 1967 as a private limited company under the name of Golden Voice Musical Industries Sdn Bhd. GPI changed its name to Golden PET Industries Sdn Bhd on 5 July 1994. In 1981, YLC acquired its initial stakes in the issued share capital of GPI and commenced business in 1983 by converting the factory from the manufacture of musical instruments to the manufacture of plastic and polyvinyl chloride (PVC)-based products. It started producing toothbrushes in 1985. In 1986, GPI began to manufacture PET bottles for cooking oil and subsequently for mineral water. In 1998, GPI began to manufacture pre-forms (raw material for manufacturing of PET bottles) for PET bottles. GPI has no subsidiary or associated companies.

GPI's operations are located on a 4-acre leasehold land in the IGB International Industrial Park, Ipoh. Its manufacturing plant measures approximately 112,500 square feet and it currently has 9 machines manufacturing PET bottles, 1 machine manufacturing pre-forms and 14 machines manufacturing caps and handles. It also has 3 machines manufacturing toothbrushes. It is operating 3 shifts for the production of PET bottles, pre-forms and caps and 2 shifts for toothbrushes. Its monthly production output are approximately 3.7 million units of PET bottles, 4.8 million units of pre-forms and 1 million units of toothbrushes. The toothbrush is manufactured under the brand name of "MorningKiss". As at 10 July 2000, GPI employed a total of 125 staff.

Approximately 90% of GPI's production of PET bottles is sold to Yee Lee Edible Oils Sdn Bhd, a wholly owned subsidiary of YLC and the remaining 10% sold to local outside parties. About 76% of GPI's production of toothbrush is sold to Yee Lee Trading Co Sdn Bhd, a wholly owned subsidiary of YLC, and the remaining 24% is exported to Philippines and Singapore.

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

(ii) Share Capital

The existing authorised share capital is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each of which RM5,200,000 have been issued and fully paid-up comprising 5,200,000 ordinary shares of RM1.00 each.

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

Date of Allotment	No. of Ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
08.07.1967	132,000	1.00	Cash	132,000
07.09.1967	56,000	1.00	Cash	188,000
11.06.1969	139,000	1.00	Cash	327,000
27.06.1974	44,800	1.00	Cash	371,800
20.06.1983	44,274	1.00	Cash	416,074
30.06.1983	208,037	1.00	Bonus Issue	624,111
30.12.1983	80,000	1.00	Cash	704,111
25.09.1985	85,889	1.00	Cash	790,000
14.06.1991	510,000	1.00	Bonus Issue	1,300,000
30.12.1994	1,300,000	1.00	Cash	2,600,000
30.05.1997	2,600,000	1.00	Cash	5,200,000

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

(iii) Profit and Dividend

A summary of the audited accounts of GPI for the past five (5) financial years ended 31 December 1998 and the audited account for the thirteen (13) months ended 31 January 2000 are as follows:-

	←-----Financial years ended 31 December-----→					Thirteen (13) months ended 31 January
	1994 RM'000	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	2000 RM'000
Turnover	11,888	17,060	18,631	19,264	21,614	23,566
Profit before taxation	2,153	1,014	2,668	3,954	1,607	3,699
Less: Taxation	174	5	(175)	(649)	(516)	(36)
Profit after taxation	2,327	1,019	2,493	3,305	1,091	3,663
Weighted average number of Shares in issue ('000)	2,600	2,600	2,600	5,200	5,200	5,200
Net EPS (sen)	89.50	39.20	95.90	63.55	20.99	65.02 [^]
Tax-exempt dividend rate (%)	100	10	10	-	-	-

[^] Annualised

Notes:-

- (a) The taxation charges have been arrived at after adjusting for over and under provision for taxation to the respective financial years for which the taxation charges were agreed with the tax authorities;
- (b) The net EPS has been calculated based on the profit after taxation and the weighted number of ordinary shares in issue for each of the financial years reported;
- (c) There were no exceptional or extraordinary items in respect of all the financial years under review;
- (d) The significant increase in turnover for 1995 was due to the launching of 3kg PET bottles towards the end of 1994;
- (e) The decrease in profit before taxation for 1995 was due to the rise in average price of PET resin, as well as the increase in financial expenses;
- (f) The increase in profit before taxation for 1996 and 1997 was due to the fall in average price of PET resin, which is the main raw material used for the production of PET bottles; and

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

- (g) *The decrease in profit before taxation for 1998 was due to the increase in cost of raw materials which arose mainly from the depreciation of the Ringgit against the US Dollar.*

6.6.3 CSC**(i) History and Business Overview**

CSC was incorporated in Malaysia under the Companies Act, 1965 on 29 October 1979 as a private limited company under the name of Chuan Sin Food Industry Sdn Bhd. It changed its name to Chuan Sin Cactus Sdn Bhd on 3 March 1994. CSC has no subsidiary or associated companies.

CSC was initially involved in the selling and distribution of biscuits, confectionery and toiletries products for Leong Siew Goh (a sole proprietor) in Taiping before switching to selling and distributing bottled water products manufactured by CS in 1988. CSC's initial activities were phased out due to stiff competition. Presently, CSC primarily sells and distributes bottled water products under the brand name of "Cactus" with biscuits and confectionery products accounting for 2% of its turnover. As at 10 July 2000, CSC employs 19 staff.

(ii) Share Capital

The existing authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each of which RM450,000 have been issued and fully paid-up comprising 450,000 ordinary shares of RM1.00 each.

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

Date of Allotment	No. of Ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
29.10.1979	2	1.00	Cash	2
01.11.1979	160,000	1.00	To take over the assets and liabilities of Chuan Sin Trading and Food Industries	160,002
09.05.1981	1	1.00	Cash	160,003
15.04.1994	289,997	1.00	Bonus Issue	450,000

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

(iii) Profit and Dividend

A summary of the audited accounts of CSC for the past five (5) financial years ended 31 May 1999 and the audited account for the eight (8) months ended 31 January 2000 are as follows:-

	←-----Financial Years Ended 31 May -----→					Eight (8) months ended 31 January 2000 RM'000
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	
Turnover	3,707	3,265	4,079	4,385	3,475	2,797
Profit before taxation	760	770	944	1,078	534	517
Less: Taxation	(198)	(228)	(267)	(302)	(10)	(151)
Profit after taxation	562	542	677	776	524	366
Weighted average number of Shares in issue ('000)	450	450	450	450	450	450
Net EPS (sen)	124.89	120.44	150.44	172.44	116.44	122.00 [^]
Gross dividend rate (%)	60	100	-	-	150	150

[^] Annualised

Notes:-

- (a) The taxation charges have been arrived at after adjusting for over and under provision for taxation to the respective financial years for which the taxation charges were agreed with the tax authorities;
- (b) The net EPS has been calculated based on the profit after taxation and the weighted number of ordinary shares in issue for each of the financial years reported;
- (c) There were no exceptional or extraordinary items in respect of all the financial years under review; and
- (d) The decrease in profit before taxation for 1999 was due to a decrease in commission fees received as a result of a corresponding decrease in turnover during the year.

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)**6.6.4 PM****(i) History and Business**

PM was incorporated in Malaysia under the Companies Act, 1965 on 11 December 1986 as a private limited company under the name of Global Packaging Corporation Sdn Bhd. It changed its name to PET Master Sdn Bhd on 11 January 1994. PM commenced operations in October 1994. PM has no subsidiary or associate companies.

PM is principally involved in the manufacture and sales of PET bottles and PP cups. Its bottle blowing and cup thermo-forming machines are presently located on a 300 square metre section of CS's mineral water plant in Air Kuning, Taiping. It has one line each for the bottle blowing machine and cup thermo-forming machine and is presently operating 2 shifts and 1 shift for each line respectively. PM's monthly production capacities are 0.25 million units of PET bottles and 2.5 million units of PP cups. It is currently producing an average of 0.15 million and 1 million units of PET bottles and PP cups respectively, which represents approximately 60% and 40% of its full production capacity. As at 10 July 2000, PM has 10 employees.

(ii) Share Capital

The authorised share capital of PM is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each of which RM500,000 have been issued and fully paid-up comprising 500,000 ordinary shares of RM1.00 each.

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

Date of Allotment	No. of Ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
11.12.1986	2	1.00	Cash	2
12.05.1994	499,998	1.00	Cash	500,000

6. INFORMATION ON THE SPRITZER GROUP (CONT'D)

(iii) Profit and Dividend

A summary of the audited accounts of PM for the past five (5) financial years ended 31 May 1999 and the audited account for the eight (8) months ended 31 January 2000 are as follows:-

	←-----Financial Years Ended 31 May-----→					Eight (8) months ended 31 January 2000 RM'000
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	
Turnover	545	1,005	994	1,508	1,132	824
Profit before taxation	6	72	103	131	76	188
Less: Taxation	(2)	(24)	(32)	(20)	5	(53)
Profit after taxation	4	48	71	111	81	135
Weighted average number of Shares in issue ('000)	500	500	500	500	500	500
Net EPS (sen)	0.80	9.60	14.20	22.20	16.20	40.50 [^]
Gross dividend rate (%)	-	-	-	-	-	-

[^] Annualised

Notes :-

- (a) The taxation charges have been arrived at after adjusting for over and under provision for taxation to the respective financial years for which the taxation charges were agreed with the tax authorities;
- (b) The net EPS has been calculated based on the profit after taxation and the weighted number of ordinary shares in issue for each of the financial years reported.
- (c) There were no exceptional or extraordinary items in respect of all the financial years under review;
- (d) The increase in turnover for 1996 was due to an increase in sales as PM operated for a full year and at higher capacity as compared to 1995 when it was only in operation for 7 months. Likewise, profit before taxation increased due to economies of scale resulting from an increased volume of production;
- (e) Profit before taxation increased for 1997 despite a decrease in turnover due to a general drop in unit price of raw materials and decrease in material wastage;
- (f) The increase in turnover for 1998 was due to an increase in quantity sold for PET bottles and PP cups; and
- (g) The decrease in profit before taxation for 1999 was due to a drop in unit selling prices for both PET bottles and PP cups and an increase in purchase price of raw materials.