

This Prospectus has been seen and approved by the directors of Emivest Berhad (“Emivest”) and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statements herein false or misleading.

The Adviser, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue (as hereinafter defined) and Offer for Sale (as hereinafter defined) and are satisfied that the profit estimate and forecast (for which the directors of Emivest are fully responsible) prepared for inclusion in the Prospectus have been stated by the directors after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

The Securities Commission (“SC”) has approved the Public Issue and Offer for Sale vide its letters dated 6 April 2001, 8 June 2001, 1 October 2001 and 26 November 2001 and that the approval shall not be taken to indicate that the SC recommends the Public Issue and Offer for Sale which are the subject of this Prospectus.

The SC shall not be liable for any non-disclosure on the part of Emivest and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

The valuation approved or accepted by the SC shall only be utilised for the purpose of the corporate proposals submitted to and approved by the SC, and shall not be construed as an endorsement by the SC on the value of the subject assets for any other purposes.

The Kuala Lumpur Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of Emivest or of its securities.

A copy of this Prospectus has been registered by the SC and lodged with the Registrar of Companies (“ROC”) and neither the SC nor the ROC takes any responsibility for its contents.

TENTATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for Emivest's entire issued and paid-up share capital of RM40,000,002 comprising 40,000,002 ordinary shares of RM1.00 each on the Second Board of the Kuala Lumpur Stock Exchange is set out below:-

Indicative Date	Event
12 December 2001	Issue of Prospectus/Opening date of the IPO
28 December 2001	Closing date of the IPO
4 January 2002	Tentative date for balloting of Applications for the Public Issue Shares
17 January 2002	Tentative date for allotment of the IPO Shares to successful applicants
23 January 2002	Tentative date for listing

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE IPO WILL CLOSE AT THE DATE AS STATED ABOVE OR SUCH LATER DATE AS THE DIRECTORS AND/OR PROMOTERS OF EMIVEST TOGETHER WITH THE UNDERWRITER MAY DECIDE AND IN THE EVENT THE OFFER FOR SALE TO BUMIPUTERA INVESTORS APPROVED BY THE MITI IS DELAYED.

DEFINITIONS

In this Prospectus, unless otherwise indicated, the following terms and abbreviations shall have the following meanings:-

Acquisitions	:	Acquisition of Gymtech and Acquisition of Sri Medan, collectively
Acquisition of Gymtech	:	Acquisition by Emivest of the entire issued and paid-up share capital of Gymtech comprising 7,750,061 ordinary shares of RM1.00 each for a purchase consideration of RM25,507,049 satisfied by the issuance of 10,048,271 new Shares credited as fully paid-up and the rights to allotment of 13,139,955 new Shares at an issue price of RM1.10 per Share which was completed on 30 June 2001
Acquisition of Ideal	:	Acquisition by Gymtech of 59.68% equity interest in Ideal comprising 9,190,171 ordinary shares of RM1.00 each for a cash purchase consideration of RM14,769,000 which was completed on 20 February 2001
Acquisition of Sri Medan	:	Acquisition by Emivest of the entire issued and paid-up share capital of Sri Medan comprising 650,000 ordinary shares of RM1.00 each for a purchase consideration of RM11,892,951 satisfied by the issuance of 2,723,693 new Shares credited as fully paid-up and the rights to allotment of 8,088,081 new Shares at an issue price of RM1.10 per Share which was completed on 30 June 2001
Act	:	The Malaysian Companies Act, 1965
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Application	:	Application for IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form	:	Application for IPO Shares by way of a printed application form
Arab-Malaysian	:	Arab-Malaysian Merchant Bank Berhad (23742-V)
ATM	:	Automated teller machine
CDS	:	Central Depository System
EBIDTA	:	Earnings before interest, depreciation, taxation and amortisation
Electronic Share Application	:	Application for IPO Shares through a Participating Financial Institution's ATM
Emivest or Company	:	Emivest Berhad (415622-V)
Emivest Group or Group	:	Emivest and its subsidiaries

DEFINITIONS (Cont'd)

EPS	:	Earnings per Share
FIC	:	Foreign Investment Committee
Gymtech	:	Gymtech Feedmill (Malacca) Sdn Bhd (78586-T)
Gymtech Group	:	Gymtech and its subsidiaries
Hatchery	:	Hatchery (Malaysia) Sdn Bhd (30360-H)
Ideal	:	Ideal Multifeed (Malaysia) Sdn Bhd (6455-V)
Indahgrains	:	Indahgrains Logistics Sdn Bhd (390224-A)
Initial Public Offering or IPO	:	Public Issue and Offer for Sale, collectively
IPO Shares	:	Public Issue Shares and Offer Shares, collectively
Kayangan Runding	:	Kayangan Runding Sdn Bhd (335391-T)
KLSE	:	Kuala Lumpur Stock Exchange
LTM	:	Ladang Ternakan Maju Sdn Bhd (80125-M)
Lau Brothers	:	Datuk Lau Chong Wang, Lau Bong Wong, Lau Chia Nguang, Datuk Lau Chir Nguan, Dato' Lau Eng Guang, Lau Hai Nguan and Datuk Lau Tuang Nguang, collectively
LHHB	:	Leong Hup Holdings Berhad (51316-D)
Listing	:	Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of Emivest of RM40,000,002 comprising 40,000,002 Shares on the Second Board of the KLSE
Listing Requirements	:	The Listing Requirements of the KLSE
Malaysian Persons	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
MCD or Central Depository	:	Malaysian Central Depository Sdn Bhd (165570-W)
Mega Perfect	:	Mega Perfect (M) Sdn Bhd (388171-H)
MFMA	:	Malaysian Feedmillers Association
MIH or Issuing House	:	Malaysian Issuing House Sdn Bhd (258345-X)
MI	:	Minority interest
MITI	:	Ministry of International Trade and Industry
MT	:	Metric tonnes

DEFINITIONS (Cont'd)

- NTA** : Net tangible assets
- Offer for Sale** : Offer for sale by the Offerors of the rights to allotment of 8,000,000 Shares and 2,016,575 Shares, at an offer price of RM1.50 per Share to LHHB, Bumiputera investors approved by MITI and certain existing Bumiputera shareholders of Emivest as follows:-

	No. of Shares	Rights to allotment of no. of Shares
LHHB	-	8,000,000
Bumiputera investors approved by MITI	2,004,000	-
Existing Bumiputera shareholders of Emivest	12,575	-
	2,016,575	8,000,000

- Offerors** : The offerors who are offering for sale the Offer Shares, as follows:-

	No. of Shares	Rights to allotment of no. of Shares
Mega Perfect	-	6,553,142
Chee Kim Hoon	-	193,215
Nam Yok San	-	193,215
Amnah Bte Ibrahim	1,041,579	-
LTM	974,996	1,060,428
Total	2,016,575	8,000,000

- Offer Shares** : The rights to allotment of 8,000,000 Shares and 2,016,575 Shares, which are the subject of the Offer for Sale

- Participating Financial Institution (s)** : Refers to the Participating Financial Institutions for Electronic Share Application as listed in Section 11.5.2(xvi) of this Prospectus

- PAT** : Profit after tax and MI

- PBT** : Profit before tax and MI

- PE Multiple** : Price earnings multiple

- Placement Agent** : Arab-Malaysian

DEFINITIONS (Cont'd)

Public Issue : Public Issue of 6,000,000 new Shares, at an issue price of RM1.50 per Share to eligible employees of the Emivest Group and Malaysian Persons, to be allocated via the following mode:-

	No. of Shares
Pink form allocations to eligible employees of the Emivest Group	297,000
Private placement by the Placement Agent	4,500,000
Allocations via balloting	1,203,000
Total	6,000,000

Public Issue Shares : The 6,000,000 Shares, which are the subject of the Public Issue

Recurrent Related Party Transactions : Transactions of a revenue or trading nature entered into by the Emivest Group with the Related Parties

Related Parties : LHHB and its subsidiaries, Teratai Agriculture Sdn Bhd, LTM, Safari Wonderland Sdn Bhd and Leong Hup Industries Sdn Bhd, collectively

Rights Issue : Rights issue of 3,130,061 new shares of RM1.00 each in Gymtech at an issue price of RM1.00 per share on the basis of approximately 21 new shares for every 31 shares held before the Acquisition of Gymtech

RM : Ringgit Malaysia

ROC : Registrar of Companies

Sale of Shares : Sale of the of the rights to allotment of 19,781,178 Shares by the Lau Brothers to Mega Perfect in return for new ordinary shares of RM1.00 each in Mega Perfect in proportion to their respective rights to allotment of Shares

SC : Securities Commission

Shares : Ordinary shares of RM1.00 each in Emivest

Shareholders' Mandate : The shareholders' mandate granted by the shareholders of Emivest on 30 November 2001 permitting the Emivest Group to enter into Recurrent Related Party Transactions

Sq ft : Square feet

Sri Medan : Sri Medan Duck Farm Sdn Bhd (180590-U)

VSD : Veterinary Services Department

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Lau Bong Wong <i>(Chairman and Managing Director)</i>	103 Jalan SS22/32 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Lau Chia Nguang <i>(Executive Director)</i>	15C-6-3 Mont Kiara 1-70C, Jalan Bukit Kiara 50480 Kuala Lumpur	Company Director	Malaysian
Sim Kim Hwa <i>(Executive Director)</i>	232E Kampung Lapan 75200 Bacang Melaka	Company Director	Malaysian
Zabidi Bin Md Zain <i>(Independent Non-Executive Director)</i>	No.2, Jesselton Crescent 10450 Penang	Company Director	Malaysian
Koh Low @ Koh Kim Toon <i>(Independent Non-Executive Director)</i>	BT4, Jalan Temenggong Ahmad Parit Bakar 84000 Johor	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Zabidi Bin Md Zain	Chairman	Independent Non-Executive Director
Sim Kim Hwa	Member	Executive Director
Koh Low @ Koh Kim Toon	Member	Independent Non-Executive Director

CORPORATE INFORMATION (Cont'd)

COMPANY SECRETARIES	:	Seow Fei San (MAICSA 7009732) 1, Jalan SS21/38 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan
		Lam Sook Ching (MAICSA 7006942) P2-4, Blok P Pangsapuri Hilir Kota 1 Jalan Melaka Raya 23 75000 Melaka
REGISTERED OFFICE	:	106A, Taman Melaka Raya 75000 Melaka Telephone no.: (06) 281 5300
PRINCIPAL BANKERS	:	United Overseas Bank (Malaysia) Berhad (271809-K) 33, Lorong Hang Jebat 75200 Melaka
		HSBC Bank Malaysia Berhad (127716-B) 777, Jalan Hang Tuah 75300 Melaka
		Hong Leong Bank Berhad (97141-X) 345, Jalan Ong Kim Wee 75300 Melaka
AUDITORS AND REPORTING ACCOUNTANTS	:	Deloitte Touche Tohmatsu (AF 0834) Chartered Accountants 21, Jalan Tun Abdul Razak Susur 1/1 80000 Johor Bahru Johor Darul Takzim
SOLICITORS FOR IPO	:	Jeff Leong, Poon & Wong A-11-3A, Level 11 Megan Phileo Avenue Jalan Yap Kwan Seng 50450 Kuala Lumpur
ADVISER, UNDERWRITER AND PLACEMENT AGENT	:	Arab-Malaysian Merchant Bank Berhad (23742-V) 22 nd Floor, Bangunan Arab-Malaysian 55 Jalan Raja Chulan 50200 Kuala Lumpur

CORPORATE INFORMATION (Cont'd)

REGISTRARS	:	PFA Registration Services Sdn Bhd (19234-W) Level 13, Uptown 1 No. 1, Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd (258345-X) 27th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
LISTING SOUGHT	:	The Second Board of the KLSE

1. INFORMATION SUMMARY

The information set out below is only a summary of information about the Emivest Group and is derived from the full text of this Prospectus. Investors should read and understand the whole Prospectus prior to making any investment decision.

1.1 History and Business

Emivest was incorporated as a private limited company on 2 January 1997 in Malaysia under the Act as Emivest Sdn Bhd. The Company was converted into a public company on 14 February 1997.

The principal activity of Emivest is that of investment holding whilst the principal activities of its subsidiaries and associated companies are as follows:-

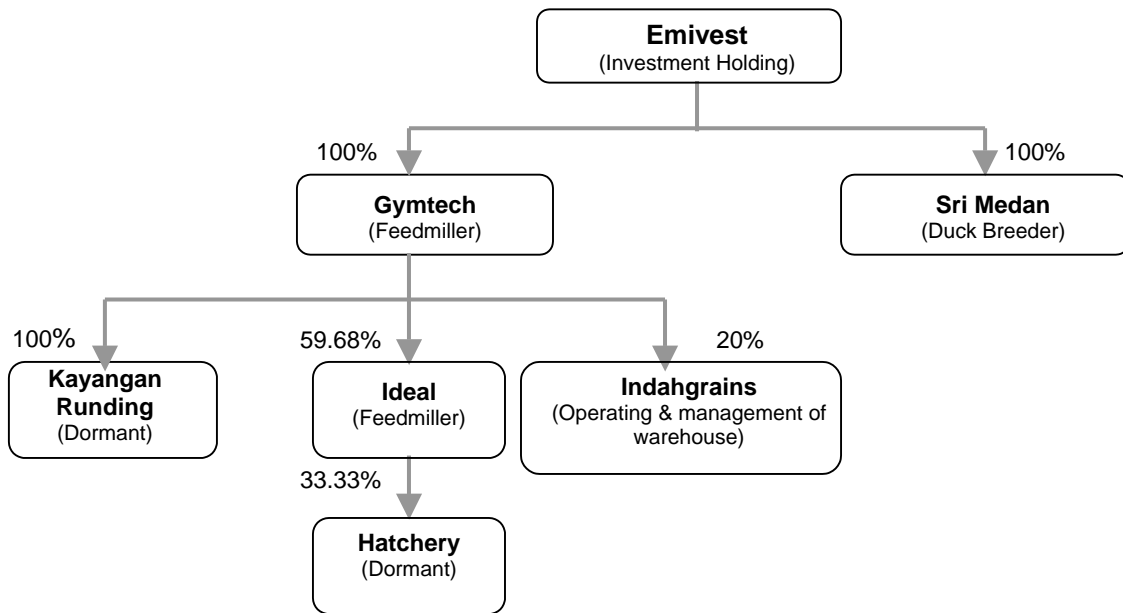
Name	Equity interest %	Principal activities
Subsidiaries		
Gymtech	100	Manufacturing and marketing of animal feed
Sri Medan	100	Duck breeders, sales of poultry, eggs and others
Ideal	59.68 ¹	Manufacturing and marketing of animal feed
Kayangan Runding	100 ¹	Dormant
Associated companies		
Indahgrains	20.00 ¹	Operating of warehouse and warehouse management
Hatchery	33.33 ²	Dormant

Notes:-

1. Held through Gymtech.
2. Held through Ideal.

1. INFORMATION SUMMARY (Cont'd)

The corporate structure of Emivest and its subsidiaries and associated companies is set out below:-



Further details of the history and business of the Emivest Group are set out in Section 4 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.2 Promoters, Substantial Shareholders, Directors and Key Management

1.2.1 Promoters

The promoters of Emivest, i.e. the Lau Brothers and their shareholdings in Emivest upon the completion of the IPO are as follows:-

Name	←-----After the IPO-----→			
	No. of Shares held		%	
	Direct	Indirect		
Datuk Lau Chong Wang	-	8,000,000 ¹	-	20.00
Lau Bong Wong	-	8,000,000 ¹	-	20.00
Lau Chia Nguang	-	-	-	-
Datuk Lau Chir Nguan	-	-	-	-
Dato' Lau Eng Guang	-	-	-	-
Lau Hai Nguan	-	-	-	-
Datuk Lau Tuang Nguang	-	-	-	-

Note:-

1. By virtue of their interests in LHHB.

The Lau Brothers will be substantial shareholders of Mega Perfect upon the completion of the IPO. Mega Perfect will in turn hold a 33.07% equity interest in Emivest upon the completion of the IPO. The respective shareholdings of the Lau Brothers in Mega Perfect upon the completion of the IPO are as follows:-

Lau Brothers	% equity interest in Mega Perfect
Datuk Lau Chong Wang	14.48
Lau Bong Wong	14.47
Lau Chia Nguang	14.21
Datuk Lau Chir Nguan	14.21
Dato' Lau Eng Guang	14.21
Lau Hai Nguan	14.21
Datuk Lau Tuang Nguang	14.21
Total	100.00

1. INFORMATION SUMMARY (Cont'd)**1.2.2 Substantial Shareholders**

The substantial shareholders of Emivest and their shareholdings in Emivest upon the completion of the IPO are as follows:-

Name	←-----After the IPO-----→			
	No. of Shares held		%	
	Direct	Indirect		
Datuk Lau Chong Wang	-	-	8,000,000 ¹	20.00
Lau Bong Wong	-	-	8,000,000 ¹	20.00
Tan Sri Dato' Ahmad Sabki Bin Jahidin	2,322,470	5.81	-	-
Rahmat Bin Ibrahim	2,322,470	5.81	-	-
Mega Perfect	13,228,036	33.07	-	-
LHHB	8,000,000 ²	20.00	-	-

Notes:-

1. By virtue of their interests in LHHB.
2. The shareholders of LHHB have approved the acquisition of the rights to allotment of 8,000,000 Shares by LHHB on 28 November 2001.

1.2.3 Directors

The directors of Emivest and their shareholdings in Emivest upon the completion of the IPO are as follows:-

Name	←-----After the IPO-----→			
	No. of Shares held		%	
	Direct	Indirect		
Lau Bong Wong	-	-	8,000,000 ¹	20.00
Lau Chia Nguang	-	-	-	-
Sim Kim Hwa	-	-	-	-
Zabidi Bin Md Zain	-	-	-	-
Koh Low @ Koh Kim Toon	-	-	-	-

Note:-

1. By virtue of his interest in LHHB.

1. INFORMATION SUMMARY (Cont'd)**1.2.4 Key Management**

The key management of the Emivest Group and their shareholdings in Emivest upon the completion of the IPO are as follows:-

Name	Position	←-----After the IPO-----→			
		No. of Shares held	%	No. of Shares held	%
		Direct		Indirect	
Lau Bong Wong	Chairman/Managing Director	-	-	8,000,000 ¹	20.00
Lau Chia Nguang	Executive Director	-	-	-	-
Sim Kim Hwa	Executive Director/General Manager of Gymtech	-	-	-	-
Lee Lai Hock	Accountant	-	-	-	-
Dr S Jayasankar A/L T.Sankaran	Technical Service Manager of Gymtech	6,000 ²	0.01	-	-
Dr Dzulkafli Bin Mohd Jantan	Product Development Manager of Gymtech	6,000 ²	0.01	-	-
Lim Keng Tong	Sales Manager of Gymtech	6,000 ²	0.01	-	-
Lim Soo Pin	Factory Manager of Gymtech	6,000 ²	0.01	-	-
Dr Ramanathan A/L Muniandy	Assistant General Manager/Veterinarian of Sri Medan	6,000 ²	0.01	-	-
Chong Boon Long	Hatchery Manager of Sri Medan	6,000 ²	0.01	-	-
Bong Kok Lee	Senior Unit Manager of Sri Medan	6,000 ²	0.01	-	-

Notes :-

1. By virtue of his interest in LHHB.
2. Pink form allocations pursuant to the IPO.

Information of the promoters, substantial shareholders, directors and key management of the Emivest Group are detailed in Section 5 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.3 Proforma Consolidated Income Statements**

The following table sets out a summary of the audited proforma consolidated income statements of Emivest for the past five (5) financial years ended 31 December 1996 to 2000 and for the six (6) months period ended 30 June 2001, based on Gymtech's audited consolidated accounts for the past five (5) financial years ended 31 December 1996 to 2000 and for the six (6) months period ended 30 June 2001 and Sri Medan's audited accounts for the six (6) financial years ended 30 April 1996 to 2001, for the eight (8) months period ended 31 December 1996 to 2000 and for the two (2) months period ended 30 June 2001.

Financial year ended 31 December	←----- Audited -----→					
	1996	1997	1998	1999	2000	6 months ended 30 June 2001
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	132,191	146,184	181,949	155,658	176,200	102,611
EBIDTA	13,147	14,300	15,508	14,420	14,311	9,033
Interest income	370	755	275	101	85	33
Finance costs	(2,731)	(3,590)	(4,730)	(2,546)	(1,974)	(1,670)
Depreciation	(1,767)	(2,018)	(2,106)	(2,071)	(2,043)	(1,381)
Amortisation of goodwill	-	-	-	-	-	(80)
Share of profit of associated company	-	-	202	271	139	157
PBT	9,019	9,447	9,149	10,175	10,518	6,092
Taxation	(1,952)	(1,645)	(2,796)	(426)	(2,724)	(1,683)
Profit after taxation before MI	7,067	7,802	6,353	9,749	7,794	4,409
MI	-	-	-	-	-	(386)
PAT	7,067	7,802	6,353	9,749	7,794	4,023
No. of Shares ('000) *	34,000	34,000	34,000	34,000	34,000	34,000
Gross EPS (RM)	0.27	0.28	0.27	0.30	0.31	0.36**
Net EPS (RM)	0.21	0.23	0.19	0.29	0.23	0.24**

Notes:-

* Based on the Shares issued/to be issued pursuant to the Acquisitions.

** Annualised.

- The above results were arrived at after elimination of inter-company transactions and after adjustments as indicated in Section 6.1 of the Accountants' Report.
- Revenue increased in 1997 and 1998 due to increase in production output and selling prices of feed, which was in line with the higher raw material prices. As a result, the Group registered a higher PBT in 1997. PBT in 1998 decreased mainly due to increase in finance costs.
- The decrease in revenue in 1999 was due to lower selling prices of feed. Revenue in 2000 increased, due to increase in production output. In 1999 and 2000, PBT increased, due to reduction in finance costs.
- The increase in the results for the six months period ended 30 June 2001, on an annualised basis, was mainly due to the inclusion of the results of Ideal from date of acquisition by Gymtech.
- There were no exceptional and extraordinary items in all the relevant periods under review.

Emivest and its subsidiaries' audited accounts for the relevant periods under review have not been subjected to any auditors' qualification.

The Accountants' Report is set out in Section 9 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.4 Proforma Consolidated Balance Sheets**

The proforma consolidated balance sheets of Emivest as at 30 June 2001, based on the audited consolidated balance sheet of Emivest as at 30 June 2001 and assuming that the Public Issue and the utilisation of proceeds from the Public Issue had been effected on that date is set out below:-

	Audited as at 30 June 2001 ¹	I After Public Issue	II After I and utilisation of proceeds from Rights Issue and Public Issue
	RM'000	RM'000	RM'000
Assets			
Property, plant and equipment	32,330	32,330	32,330
Goodwill on consolidation	5,896	5,896	5,896
Investment in associated companies	2,165	2,165	2,165
Currents assets			
Inventories	10,529	10,529	10,529
Trade receivables	107,262	107,262	107,262
Other receivables, deposits and prepayments	12,127	12,127	12,127
Fixed deposits, cash and bank balances	6,941	14,841	7,141
	136,859	144,759	137,059
Current liabilities			
Trade payables	32,101	32,101	32,101
Other payables and accruals	15,567	15,567	5,567
Hire-purchase creditors	182	182	182
Short-term borrowings	68,582	68,582	70,882
Tax liabilities	1,654	1,654	1,654
	118,086	118,086	110,386
Net current assets	18,773	26,673	26,673
Long-term and deferred liabilities			
Hire-purchase creditors	(142)	(142)	(142)
Deferred tax liabilities	(824)	(824)	(824)
	(966)	(966)	(966)
MI	(6,344)	(6,344)	(6,344)
Net assets	51,854	59,754	59,754
Shareholders' equity			
Share capital	12,772	40,000	40,000
Share premium	1,277	5,300	5,300
Reserve on consolidation	14,474	14,474	14,474
Accumulated losses	(20)	(20)	(20)
Shares pending allotment	23,351	-	-
	51,854	59,754	59,754
NTA	45,958	53,858	53,858
NTA per Share (RM)	1.35	1.35	1.35

Note:-

- The Acquisition of Ideal, Rights Issue, Acquisition of Gymtech and Acquisition of Sri Medan have been completed as at 30 June 2001.

The Proforma Consolidated Balance Sheets as at 30 June 2001 together with the Reporting Accountants' Letter thereon are set out in Section 7.6 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.5 Risk Factors

The following is a list of some of the main investment considerations (which may not be exhaustive) as extracted from Section 3 of this Prospectus, which applicants for the IPO Shares should carefully consider in addition to other information contained elsewhere in this Prospectus, before applying for the IPO Shares:-

- (i) Prior to this IPO, there has been no public market for Emivest's shares;
- (ii) Raw materials for feed are mainly imported and any change in the Malaysian's government policy in allowing free access to imported feedstuffs may adversely affect the operation and financial position of the Group;
- (iii) Fluctuations in commodity prices of the imported raw materials may affect the profitability of the Group;
- (iv) Ducks are vulnerable to diseases and the emergence of new strain of viruses may adversely affect the operation and financial position of the Group;
- (v) The Group faces competition from other feedmillers and duck breeders;
- (vi) The continued success of the Emivest Group is dependent on the ability and continued dedication of its key management team;
- (vii) Following the IPO, the Lau Brothers, via their substantial shareholdings in Mega Perfect and LHHB, will collectively hold a 53.07% stake in Emivest and will be able to control the outcome of certain matters requiring the vote of the Company's shareholders;
- (viii) Changes in political, economic and governmental policy in Malaysia could adversely affect the financial and business prospects of the Group; and
- (ix) The estimates and forecasts set out in this Prospectus are based on assumptions that are subject to uncertainties and contingencies. Actual results may differ materially.
- (x) No assurance can be given that forward-looking statements included in this Prospectus will prove to have been correct.

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

1. INFORMATION SUMMARY (Cont'd)

1.6 Principal Statistics Relating to the IPO

The following statistics relating to the IPO are derived from the full text of this Prospectus and should be read in conjunction with the text.

<i>(i) Share Capital</i>	RM
Authorised 50,000,000 Shares	<u>50,000,000</u>
Issued and fully paid-up as at the date of this Prospectus 12,771,966 Shares	12,771,966
To be issued pursuant to the Acquisitions The rights to allotment of 21,228,036 Shares	21,228,036
To be issued pursuant to the Public Issue 6,000,000 Shares	6,000,000
Total enlarged share capital	<u>40,000,002</u>
To be offered pursuant to the Offer for Sale The rights to allotment of 8,000,000 Shares and 2,016,575 Shares	10,016,575
IPO price per Share	1.50

Details are set out in Section 2.1 of this Prospectus.

<i>(ii) Proforma Consolidated NTA as at 30 June 2001</i>	
Proforma consolidated NTA as at 30 June 2001 (After taking into account the Public Issue and estimated listing expenses of RM1.1 million) (RM'000)	53,858
Proforma consolidated NTA per Share (based on the enlarged issued and paid-up share capital of 40,000,002 Shares)	RM1.35

Detailed calculations of the Proforma Consolidated NTA are set out in Section 7.6 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**(iii) Consolidated Profit Estimate and Forecast**

Financial year ending 31 December	Estimate 2001	Forecast 2002
Consolidated PBT (RM'000)	11,447 ¹	12,563
Consolidated PAT (RM'000)	7,730	8,501
No. of Shares in issue ('000)	40,000	40,000
Net EPS (RM) ²	0.19	0.21
Net PE multiple based on the IPO price of RM1.50 per Share (times)	7.9	7.1

Notes:-

- Proforma results, which include pre-acquisition results of the subsidiaries amounting to approximately RM3.9 million for the period from 1 January 2001 to 30 June 2001.*
- Based on enlarged issued and paid-up share capital of 40,000,002 Shares.*

The Consolidated Profit Estimate and Forecast of Emivest together with the Reporting Accountants' Letter thereon are set out in Section 7.3 of this Prospectus.

(iv) Dividend Forecast

Financial year ending 31 December	Forecast 2002
Gross dividend per Share (sen)	8.0
Net dividend per Share (sen)	8.0
Net dividend yield based on the IPO price of RM1.50 per Share (%)	5.3
Net dividend cover (times)	2.6

In view that the listing date of Emivest is expected to be in January 2002, the Company will not be declaring any dividend for the year ending 31 December 2001.

Details of the Dividend Forecast are set out in Section 7.5 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.7 Basis of Arriving at the IPO Price

The IPO price of RM1.50 per Share was determined and agreed upon by the Company and Arab-Malaysian as the Adviser and Underwriter based on various factors including the following:-

- (i) the historical performance of the Emivest Group for the 5 financial years ended 31 December 2000;
- (ii) the forecast net PE Multiple of approximately 7.1 times based on the forecast net EPS of RM0.21 for the financial year ending 31 December 2002;
- (iii) the future plans and prospects of the Emivest Group as outlined in Section 4.6.5 of this Prospectus; and
- (iv) the proforma audited consolidated NTA per Share of Emivest as at 30 June 2001 of RM1.35.

The directors of Emivest and Arab-Malaysian are of the opinion that the IPO Price is fair and reasonable after careful consideration of the abovementioned factors.

However, shareholders should also note that the market prices of Emivest's shares upon listing on the KLSE are subject to the vagaries of the market forces and other uncertainties, which may affect the prices of Emivest's shares being traded.

1.8 Utilisation of Proceeds of the Rights Issue and Public Issue

All proceeds of the Rights Issue and Public Issue, after deducting the relevant listing expenses, will accrue to the Emivest Group. The gross proceeds of the Rights Issue and the Public Issue is as follows:-

Proceeds of	RM'000
Rights Issue	3,130
Public Issue	9,000
	12,130

The proceeds of the Rights Issue and Public Issue will be utilised as follows:-

Utilisation of proceeds	RM'000
Acquisition of Ideal - repayment of bank borrowings	7,700
Working capital	3,330
Estimated listing expenses ¹	1,100
	12,130

Note:-

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

Detailed utilisation of proceeds is set out in Section 2.6 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.9 Contingent Liabilities

As at 30 November 2001 (being the last practicable date prior to the registration of this Prospectus), the directors are not aware of any contingent liabilities which, upon becoming enforceable, may have material impact on the profit or net assets value of the Group.

1.10 Material Litigation

The Group is not engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Group.

1.11 Material Commitments

Save as disclosed below, as at 30 November 2001 (being the last practicable date prior to the registration of this Prospectus), the directors are not aware of any capital commitments which, upon becoming enforceable, may have material impact on the profit or net assets value of the Group:-

Capital commitment	RM'000
Extension of warehouse, additional silo and others at Gymtech's feedmill	270
Fabrication and installation of material storage tank at Gymtech's feedmill	168
Purchase of motor vehicle	65
Extension of raw material warehoused at Ideal's feedmill	151
Balance of payments for the acquisition of land at Lumut, Perak	130
	<u>784</u>

2. DETAILS OF THE IPO

This Prospectus is dated 12 December 2001.

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

The approval of the SC obtained vide its letters dated 6 April 2001, 8 June 2001, 1 October 2001 and 26 November 2001 shall not be taken to indicate that the SC recommends the IPO, and that investors should rely on their own evaluation to assess the merits and risks of the IPO.

Application will be made to the KLSE within three (3) market days from the date of this Prospectus for admission to the Official List and for the listing of and quotation for the entire issued and fully paid-up share capital of Emivest on the Second Board of the KLSE. These Shares will be admitted to the Official List of the KLSE and official quotation will commence upon receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of applications for the IPO Shares will be conditional upon permission being granted by the KLSE to deal in and for the quotation of the entire enlarged issued and fully paid-up share capital of Emivest on the Second Board of the KLSE. Accordingly, monies paid in respect of any application accepted from the IPO will be returned without interest if the said permission for listing is not granted within six (6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC) provided that the Company is notified by or on behalf of the KLSE within the aforesaid timeframe.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, KLSE has prescribed Emivest as a prescribed security. In consequence thereof, the Shares issued/offered through this Prospectus will be deposited directly with the MCD and any dealings in these Shares will be carried out in accordance with the aforesaid Act and the Rules of the MCD.

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

The KLSE assumes no responsibility for the correctness of any statements made or opinions or report expressed in this Prospectus. Admission to the Official List of the Second Board of the KLSE is not to be taken as an indication of the merits of the Company or of its Shares.

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

2. DETAILS OF THE IPO (Cont'd)

The distribution of this Prospectus and the making of the IPO in certain other jurisdictions outside Malaysia may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation to apply for the IPO Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are unsure of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional adviser.

2.1 Share Capital

Authorised:-	RM
50,000,000 Shares	<u>50,000,000</u>
Issued and fully paid-up:-	
12,771,966 Shares	12,771,966
To be issued pursuant to the Acquisitions:-	
The rights of allotment of 21,228,036 Shares	21,228,036
To be issued pursuant to the Public Issue:-	
6,000,000 Shares	6,000,000
Total enlarged share capital	<u><u>40,000,002</u></u>
To be offered pursuant to the Offer for Sale	
The rights to allotment of 8,000,000 Shares and 2,016,575 Shares	10,016,575
IPO price per Share	1.50

There is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank parri passu with one another. The IPO Shares, upon allotment and issue, will rank pari passu in all respects with the existing Shares, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of the Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the ordinary shareholder shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and in respect of the whole of any surplus in the event of the liquidation of the Company, in accordance with its Articles of Association.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Share held.

2. DETAILS OF THE IPO (Cont'd)

2.2 Details of the IPO

The IPO shall be subject to the terms and conditions of this Prospectus and upon acceptance, the Public Issue Shares and Offer Shares will be allocated in the following manner:-

Public Issue Shares**(i) Pink Form Allocations to Eligible Employees of the Emivest Group**

300,000 new Shares representing approximately 0.75% of the enlarged issued and paid-up share capital have been reserved for 77 eligible employees of the Emivest Group. These Shares have been allocated to the employees based on the following criteria:-

- At least eighteen (18) years of age;
- Job position (excluding general workers);
- Length of service; and
- Non-Malaysian citizens are not eligible.

(ii) Private Placement by the Placement Agent

4,500,000 new Shares representing approximately 11.25% of the enlarged issued and paid-up share capital will be placed with Malaysian Persons (which may include but not limited to customers, suppliers and employees of the Emivest Group) by the Placement Agent.

(iii) Allocations via Balloting to the Malaysian Public

1,200,000 new Shares representing approximately 3.00% of the enlarged issued and paid-up share capital will be made available for application by Malaysian Persons, to be allocated via ballot, of which at least 30% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

The Public Issue Shares in respect of paragraph (i) and (iii) above have been fully underwritten. Any Shares not taken up in respect of paragraph (i) above will be made available for application by the Malaysian public.

Offer Shares

- (i) The rights to allotment of 8,000,000 Shares have been reserved for LHHB;
- (ii) 2,004,000 Shares have been reserved for Bumiputera investors approved by the MITI; and
- (iii) 12,575 Shares have been reserved for certain existing Bumiputera shareholders of the Company.

2. DETAILS OF THE IPO (Cont'd)

The Offer Shares in respect of paragraphs (i), (ii) and (iii) above need not be underwritten. The shareholders of LHHB have approved the acquisition of the rights to allotment of 8,000,000 Shares by LHHB on 28 November 2001 while the respective parties mentioned in paragraphs (ii) and (iii) above have given their undertaking to subscribe for their respective Offer Shares.

The Public Issue Shares and Offer Shares represent approximately 15.0% and 25.04% respectively of the enlarged issued and paid-up share capital of Emivest of 40,000,002 Shares.

2.3 Critical Dates for the IPO

The timing of the events leading up to the listing of and quotation for Emivest's entire enlarged issued and paid-up share capital on the Second Board of the KLSE is set out below:-

Event	Date
Issue of Prospectus/Opening of the IPO	12 December 2001
Closing of the IPO	28 December 2001 ¹
Tentative date for balloting of Applications for the Public Issue Shares	4 January 2002
Tentative date for allotment of the IPO Shares to successful applicants	17 January 2002
Tentative date for listing	23 January 2002

Note:-

1. *The IPO will close at the date as stated above or such later date as the directors and/or promoters of Emivest together with the Underwriter may decide and in the event the offer for sale to Bumiputera investors approved by the MITI is delayed.*

2.4 Purposes of the IPO

The purposes of the IPO are as follows:-

- (i) The listing of Emivest's shares on the Second Board of the KLSE is expected to enhance the Emivest Group's corporate reputation and assist the Group in expanding its customer base;
- (ii) To provide an opportunity for the Malaysian investors and institutions and the eligible employees and business associates (which include the suppliers, agents and customers) of the Emivest Group to participate in the equity and continuing growth of the Emivest Group;
- (iii) To enable the Emivest Group to gain access to the capital market to raise funds for its future expansion and growth;
- (iv) To obtain a listing of and quotation for Emivest's entire issued and paid-up share capital of 40,000,002 Shares on the Second Board of the KLSE; and
- (v) To comply with National Development Policy requirements in respect of Bumiputera equity participation.

2. DETAILS OF THE IPO (Cont'd)

2.5 Basis of Arriving at the IPO Price

The IPO price of RM1.50 per Share was determined and agreed upon by the Company and Arab-Malaysian as the Adviser and Underwriter based on various factors including the following:-

- (i) the historical performance of the Emivest Group for the 5 financial years ended 31 December 2000;
- (ii) the forecast net PE Multiple of approximately 7.1 times based on the forecast net EPS of RM0.21 for the financial year ending 31 December 2002;
- (iii) the future plans and prospects of the Emivest Group as outlined in Section 4.6.5 of this Prospectus; and
- (iv) the proforma audited consolidated NTA per Share of Emivest as at 30 June 2001 of RM1.35.

The directors of Emivest and Arab-Malaysian are of the opinion that the IPO Price is fair and reasonable after careful consideration of the abovementioned factors.

However, shareholders should also note that the market price of Emivest's shares upon listing on the KLSE are subject to the vagaries of the market forces and other uncertainties, which may affect the prices of Emivest's shares being traded.

2.6 Proceeds of the Rights Issue and Public Issue and their Utilisation

2.6.1 Proceeds of the Rights Issue and Public Issue

All proceeds of the Rights Issue and Public Issue, after deducting the relevant listing expenses, will accrue to the Emivest Group. The gross proceeds of the Rights Issue and Public Issue is as follows:-

Proceeds of	RM'000
Rights Issue	3,130
Public Issue	9,000
	12,130

The proceeds of the Rights Issue and Public Issue of approximately RM12.13 million will be utilised as follows:-

	Note	RM'000
Acquisition of Ideal – Part repayment of bank borrowings	1	7,700
Working capital		3,330
Estimated listing expenses *	2	1,100
		12,130

2. DETAILS OF THE IPO (Cont'd)

Notes:-

- * Any variation in the actual listing expenses from the estimated amount will be adjusted in the working capital.
- 1. A loan of RM10.0 million was drawn down by Gymtech for the financing of the Acquisition of Ideal. Assuming an average interest rate of 8.05% per annum, the part repayment of the said loan is expected to result in interest savings of approximately RM50,000 per month for the Emivest Group. Save for Ideal, the listing proceeds will not be used to acquire, directly or indirectly, other companies.
- 2. Emivest will bear all expenses incidental to the listing of and quotation for the entire share capital of Emivest on the Second Board of the KLSE which include professional fees, underwriting commission, placement fee, brokerage, registration fees, authorities' fees, advertising, listing expenses and other expenses.

The proceeds of Rights Issue was received on 28 June 2001 and has been fully utilised for working capital of the Group. The proceeds of Public Issue is expected to be fully utilised within 6 months from the date of receipt of the proceeds.

The financial impact of the utilisation of the proceeds by the Group is as follows:-

Financial Year Ending 31 December 2001	With Listing ¹ RM'000	Incremental effect RM'000
Proforma consolidated profit before taxation and after MI	10,527	475
Proforma consolidated PAT	7,730	341

Note:-

- 1. Including incremental effect.

2.6.2 Proceeds of the Offer for Sale

The gross proceeds of the Offer for Sale of approximately RM15.02 million shall accrue to the Offerors and no part of the proceeds of the Offer for Sale is receivable by Emivest. The Offerors shall bear all expenses including stamp duty, registration and transfer fees relating to the Offer Shares.

2.7 Underwriting Commission, Placement Fees and Brokerage

Arab-Malaysian has agreed to underwrite 1,500,000 Shares of the Public Issue Shares. Underwriting commission is payable by the Company at the rate of 3.0% of the IPO price of RM1.50 per Share. Arab-Malaysian will also act as the Placement Agent for the placement of 4,500,000 Shares of the Public Issue Shares at the rate of 1.25% of the IPO price of RM1.50 per Share.

Brokerage relating to 1,500,000 Shares of the Public Issue Shares is payable by the Company at the rate of 1.0% of the IPO price of RM1.50 per Share in respect of successful applications which bear the stamp of Arab-Malaysian, a member company of the KLSE, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIH. No brokerage is payable on 4,500,000 Shares of the Public Issue Shares to be placed out by the Placement Agent and Offer Shares to be subscribed by LHHB, Bumiputera investors approved by MITI and Bumiputera shareholders of Emivest.

2. DETAILS OF THE IPO (Cont'd)

2.8 Salient Terms of the Underwriting Agreement

The salient terms of the Underwriting Agreement dated 30 November 2001 between the Company and Arab-Malaysian as the Underwriter (“Underwriting Agreement”) stating the events that may affect the underwriting of 1,5000,000 Shares of the Public Issue Shares (“Underwritten Shares”) are summarised as follows:-

- (i) The obligations of Arab-Malaysian under the Underwriting Agreement are conditional, inter-alia, upon:-
 - (a) there having been on or prior to the closing of the IPO (“Closing Date”), neither any adverse change nor any development reasonably likely to result in any adverse change in the condition (financial or otherwise) of the Group, taken as a whole, which is material in the context of the IPO from that set forth in the Prospectus, nor the occurrence of any event which makes any of the representations and warranties contained in Clause 3 of the Underwriting Agreement in the opinion of Arab-Malaysian (which opinion is final and binding) untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in Clause 3 of the Underwriting Agreement;
 - (b) the delivery to Arab-Malaysian on the Closing Date of such reports and confirmations from the board of directors of the Company as Arab-Malaysian may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of the Group;
 - (c) the IPO not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia; and
 - (d) the Company having complied and that the IPO is in compliance with the policies, guidelines and requirements of the SC and all revisions, amendments and/or supplements thereto.

If any of the foregoing conditions are not satisfied by the Closing Date, Arab-Malaysian shall thereupon be entitled to terminate the Underwriting Agreement.

- (ii) The representation, warranties and undertakings are, inter-alia, as follows:-
 - (a) the IPO and compliance by the Company with the terms of the Underwriting Agreement:-
 - (aa) do not and will not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, the Memorandum and Articles of Association of the Company or any existing law, regulation or listing requirements applying to or affecting the Company; and

2. DETAILS OF THE IPO (Cont'd)

- (bb) do not and will not infringe the terms of, or constitute a default under, any law, judgment, order, licence, permit, consent, trust deed, agreement or other instrument or obligation to which the Company is a party or by which it or any part of its undertaking, assets, property or revenues is bound or affected.
 - (b) no circumstances or situations have arisen which is or are likely to materially and adversely affect the financial condition or business of the Group or the success of the IPO and that no information has been withheld from Arab-Malaysian which may in any way affect its decision to underwrite the Underwritten Shares;
 - (c) the Company is to apply for and obtain the approval-in-principle of the KLSE for admission of the Company to the Official List of the KLSE and for the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE; and
 - (d) the Company is to promptly and without any delay whatsoever notify Arab-Malaysian of any facts, information, situations or circumstances which the Company believes may materially and adversely affect the success of the IPO and in particular and without prejudice to the generality of the foregoing representations, warranties or agreements at any time prior to the Closing Date take such steps as may be reasonably requested by the Underwriter to remedy and/or publicise the same.
- (iii) Arab-Malaysian may by notice in writing to the Company given at any time before that Closing Date, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:-
 - (a) there is any material breach by the Company of any of the representations, warranties or undertakings contained in Clause 3 of the Underwriting Agreement, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, or withholding of information of a material nature from Arab-Malaysian, which, in the opinion of Arab-Malaysian, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the IPO Shares; or
 - (b) there is withholding of information of a material nature from Arab-Malaysian, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of Arab-Malaysian, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the IPO Shares; or
 - (c) there shall have occurred, happened or come into effect any material and adverse change to the business or financial condition of the Group; or

2. DETAILS OF THE IPO (Cont'd)

- (d) there shall have occurred, happened or come into effect any of the following circumstances:-
- (aa) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (bb) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of Arab-Malaysian (including without limitation, acts of God, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

which, in the opinion of Arab-Malaysian, would have or can reasonably be expected to have, a material adverse effect on the business or the operations of the Group, the success of the IPO, or the distribution or sale of the IPO Shares, or which is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance with its terms pursuant to the underwriting thereof.

Upon such notice being given under (iii) above, Arab-Malaysian shall be released and discharged of their obligations without prejudice to their rights whereby the Underwriting Agreement shall be of no further force or effect and no parties to the Underwriting Agreement shall be under any liability to any other in respect of the Underwriting Agreement, except that the Company shall remain liable in respect of any of its obligations and liabilities under Clause 3 of the Underwriting Agreement and under Clause 14 of the Underwriting Agreement for the payment of the costs and expenses already incurred up to the date on which such notice was given and under Clause 15 of the Underwriting Agreement for the payment of any taxes, duties or levies.

- (iv) An underwriting commission at the rate of three per centum (3%) of the issue price of RM1.50 is payable to Arab-Malaysian by the Company for each of Public Issue Share being underwritten.

2. DETAILS OF THE IPO (Cont'd)

2.9 Moratorium on Shares

As part of the flotation exercise of Emivest which was approved by the SC, a total of 18,000,001 Shares or approximately 45% of the enlarged issued and paid-up share capital of Emivest will be subjected to a moratorium (“Moratorium Shares”). The following major shareholders of Emivest will not be allowed to sell, transfer or assign their respective the Moratorium Shares within one (1) year from the date of admission of the Company to the Official List of the Second Board of the KLSE. Thereafter, they are permitted to sell, transfer or assign their respective Moratorium Shares subject to a maximum of one third (1/3) per annum (on a straight line basis) of their respective Moratorium Shares.

	No. of Shares under moratorium	% of the enlarged issued and paid-up capital
Mega Perfect	13,200,001	33.0
LHHB	4,800,000	12.0
Total	<u>18,000,001</u>	<u>45.0</u>

The restriction, which is fully accepted by the aforesaid shareholders, is endorsed specifically on the share certificates representing the shareholders’ respective shareholdings that are under moratorium to ensure that Emivest’s Share Registrars do not register any transfer of the Moratorium Shares.

The endorsement which will be affixed in the certificates of the Moratorium Shares is as follows:-

*“The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the Securities Commission (the “**Moratorium Period**”). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction.”*

2. DETAILS OF THE IPO (Cont'd)

2.10 Approvals and Conditions from Authorities

The flotation exercise of Emivest was approved by the following authorities as follows:-

<u>Authorities</u>	<u>Date</u>
SC	6 April 2001, 8 June 2001, 1 October 2001 and 26 November 2001
MITI	29 January 2001
FIC	23 March 2001

The details of the conditions of the authorities' approvals and the status of compliance are set out below:-

Conditions imposed by the SC vide its letters dated 6 April 2001, 8 June 2001 and 26 November 2001		Status of compliance										
1.	<p>The proceeds of the Rights Issue and Public Issue shall be utilised as follows:-</p> <table border="1"> <thead> <tr> <th>Utilisation of proceeds</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td>Acquisition of Ideal - Part repayment of bank borrowings</td> <td>7,700</td> </tr> <tr> <td>Working capital</td> <td>3,330</td> </tr> <tr> <td>Estimated listing expenses</td> <td>1,100</td> </tr> <tr> <td>Total</td> <td>12,130</td> </tr> </tbody> </table>	Utilisation of proceeds	RM'000	Acquisition of Ideal - Part repayment of bank borrowings	7,700	Working capital	3,330	Estimated listing expenses	1,100	Total	12,130	Will be complied. As disclosed in Section 2.6.1 of this Prospectus, the proceeds of Rights Issue of approximately RM3.13 million has been fully utilised for working capital of the Group. The proceeds of Public Issue of RM9 million is expected to be fully utilised within 6 months from the date of receipt of the proceeds.
Utilisation of proceeds	RM'000											
Acquisition of Ideal - Part repayment of bank borrowings	7,700											
Working capital	3,330											
Estimated listing expenses	1,100											
Total	12,130											
2.	<p>The conditions to be complied for the utilisation of proceeds are as follows:-</p> <p>(i) SC's approval must be obtained for any changes to the original utilisation of proceeds if the utilisation involves any utilisation other than for the core business of Emivest</p> <p>(ii) The approval of shareholders of Emivest must be obtained for the utilisation of proceeds and for any changes equal to 25% or more of the original utilisation. Should these changes be less than 25%, an appropriate announcement should be made to the shareholders of Emivest.</p> <p>(iii) Any extension of time on the period of utilisation of proceeds already determined by Emivest must be approved by a final resolution of the Board of Directors of Emivest and an announcement must be made to the KLSE.</p> <p>(iv) An appropriate disclosure on the status of utilisation is required to be made in the quarterly reports and the annual reports of Emivest until all the proceeds have been fully utilised.</p>	<p>Will be complied.</p> <p>Will be complied.</p> <p>Will be complied.</p> <p>Will be complied.</p>										
3.	<p>A moratorium is imposed on 18,000,001 Shares held by the major shareholder/promoter of Emivest, representing 45% of the enlarged issued and paid-up share capital of Emivest, whereby they are not allowed to sell, transfer or assign their Shares for one (1) year from the date of listing of Emivest on KLSE. Thereafter, they are allowed to sell, transfer or assign up to a maximum of one-third (1/3) per annum of their respective shareholdings under moratorium in every subsequent year.</p>	Will be complied. The major shareholders have agreed to accept the moratorium condition. Refer to Section 2.9 of this Prospectus.										

2. DETAILS OF THE IPO (Cont'd)

Conditions imposed by the SC vide its letters dated 6 April 2001, 8 June 2001 and 26 November 2001	Status of compliance
4. A moratorium is also imposed on the shares held by the ultimate shareholders of Mega Perfect. In this respect, all shareholders of Mega Perfect are required to undertake that they will not sell, transfer or assign the shares held by them in Mega Perfect within the period specified in condition 3 above.	Will be complied.
5. (i) Trade debts that are owing for more than a period of 120 days by non-related parties and LHHB must be settled prior to the despatch of Prospectus. If the amount is not settled, a full provision must be made. (ii) Trade debts that are owing for more than 90 days by Teratai Agriculture Sdn Bhd, if any, must be settled prior to the despatch of the Prospectus. (iii) Emivest is to review and make provision for doubtful debts owing for a period of 90 to 120 days, if necessary, prior to the despatch of the Prospectus. (iv) Non-trade debts owing by related parties and directors of the Company, if any, must be settled prior to the despatch of the Prospectus. (v) The Audit Committee of Emivest is required to disclose business transactions between Emivest and related parties which were not at "arm's-length" basis, if any, in the annual report of Emivest.	Complied. The auditors of the Emivest Group, namely Deloitte Touche Tohmatsu, William C.H.Tan & Associates and SC Lim & Company have confirmed the compliance by the Emivest Group of these conditions vide their letters dated 30 October 2001, 27 October 2001 and 6 November 2001 respectively.
6. Bumiputera shareholders are to furnish an undertaking acceptable by the SC that they are the beneficial owners of the Shares issued to them.	Will be complied.
7. Dividend payments made for the financial years ended 1999 and 2000 must be stated in the Prospectus.	Complied. Appropriate disclosure has been made in Section 9 of this Prospectus.
8. The Audit Committee of Emivest is required to ensure that all current and future business transactions between Emivest and related parties, including Teratai Agriculture Sdn Bhd and LHHB must be at arms-length and based on commercial terms.	Will be complied.
9. Arab-Malaysian is required to furnish written confirmation to the SC that the allocation of Shares to eligible employees and key agents (up to 5% of the enlarged issued and paid-up share capital of Emivest) complies with Chapter 10 of the SC's Policies and Guidelines on Issue/Offer of Securities ("SC's Guidelines"), after the completion of the said allocation.	Complied. Arab-Malaysian's letter dated 5 December 2001 has confirmed that the pink form allocation of 297,000 new Shares to eligible employees of the Emivest Group is in compliance with Chapter 10 of the SC Guidelines.
10. Emivest is required to fully comply with the relevant requirements pertaining to the listing of the Company, particularly Chapters 7,8,10, 11 and 25 of the SC's Guidelines.	Will be complied, as applicable.
11. Arab-Malaysian is to confirm that it will act as the independent placement agent for the private placement of 4,500,000 Shares.	Complied.
12. Confirmation that the placement shares will not be placed with nominee companies or connected parties of Arab-Malaysian.	Complied.

2. DETAILS OF THE IPO (Cont'd)

Conditions imposed by the SC vide its letters dated 6 April 2001, 8 June 2001 and 26 November 2001		Status of compliance
13.	Arab-Malaysian is to furnish the SC with the final list of the places after the completion of the private placement.	Will be complied.
14.	Confirmation that the implementation of the private placement complies with the SC's Guidelines and other relevant requirements.	Will be complied.

Conditions imposed by the FIC vide its letter dated 23 March 2001		Status of compliance
1	Eminvest is to have at least 30% direct Bumiputera equity interest upon listing and quotation of the Shares on the Second Board of the KLSE.	To be complied. Bumiputera investors approved by the MITI are expected to subscribe for the Shares after the issuance of the Prospectus.
2	Eminvest is to obtain the approval of the MITI in relation to the Bumiputera shareholdings in Eminvest as well as the Acquisition of Gymetch.	Complied. The approval of the MITI has been obtained vide its letter dated 29 January 2001.
3	Eminvest is to obtain the approval of the SC.	Complied. The approval of the SC have been obtained vide its letters dated 6 April 2001, 8 June 2001, 1 October 2001 and 26 November 2001.

Conditions imposed by the MITI vide its letter dated 29 January 2001		Status of compliance
1	The allocation of 2,004,000 Shares to Bumiputera parties to be nominated MITI will be decided after the approval of the SC of the listing of Eminvest.	Complied. MITI's approval has been given for the allocation of 2,004,000 Shares to Bumiputera investors.
2	Eminvest is to obtain the approval of the FIC and SC.	Complied. The approval of the FIC has been obtained vide its letter dated 23 March 2001 while the approval of the SC has been obtained vide its letters dated 6 April 2001, 8 June 2001, 1 October 2001 and 26 November 2001.

3. THE RISK FACTORS

Applicants should carefully consider the following risk factors (which may not exhaustive) in addition to other information contained in this Prospectus, before applying for the IPO Shares:-

3.1 *No Prior Market for Emivest's Shares*

Prior to this IPO, there has been no public market for Emivest's shares. Consequently, there can be no assurance that an active market for Emivest's shares will develop upon its listing on the Second Board of the KLSE or, if developed, that such market will be sustained subsequent to its listing. The IPO price of RM1.50 per Share has been determined after taking into consideration a number of factors, including but not limited to the Group's financial and operating history and condition, its prospects and the prospects of the industries in which the Group operates, the management of the Group, the market prices for shares of companies engaged in business similar to that of the Emivest Group and the prevailing economic and share market conditions. There can be no assurance that the IPO price will correspond to the price at which Emivest's share will be traded on the Second Board of the KLSE upon or subsequent to its listing.

3.2 *Availability of Raw Materials*

The feedmilling industry on the whole is reliant on imported raw materials either due to inavailability or inadequate supply of such raw ingredients locally. More than 80% of feed ingredients such as maize, corn and soya bean meal are still imported. These raw materials are costly to be produced locally and it is not expected that they will be sufficiently produced locally in the near future.

Presently, the Malaysian government's policy in allowing free access to imported feedstuffs in the country through exemption or reduction in import duties for the import of feedstuffs not produced locally has helped avoid any shortages in the feedstuffs, which otherwise could lead to spiralling prices. However, no assurance can be given that there will be no change to this policy in the future.

3.3 *Fluctuation in Commodity Prices*

Fluctuations in the prices of imported raw materials are not uncommon in this feedmilling industry. As the cost of imported raw materials constitutes a main percentage of the total cost of feed production, uncertainty in the prices of imported feedstuffs will have an effect on the profit margin of local feedmillers.

The management of Emivest has taken steps to hedge its exposure to these fluctuations by entering into forward and futures contracts with local trading houses. Although this measure may limit its exposure, no assurance can be given that any future fluctuation in commodity prices will not have a material adverse impact on the Group's feedmilling business.

3.4 *Epidemics*

Ducks, like other livestock, are vulnerable to diseases. To mitigate this risk, various precautions such as stringent hygiene and sanitation procedures are diligently practiced in the Group's breeding farms to avoid the occurrence of an epidemic outbreak. In the incubators and hatcheries, the temperature, humidity and ventilation are carefully monitored to increase survival rates and achieve a maximum number of high quality ducklings.

However, there is no assurance that any adverse change in this factor, i.e. the emergence of new strain of viruses, will not have a material effect on the Group's duck breeding business.

3. THE RISK FACTORS (Cont'd)

3.5 Competition

Competition exists in almost every industry and there is no exception in respect of the feedmilling and livestock industries. Presently, the Emivest Group faces competition from various competitors, which include private and public listed companies.

The local feed manufacturing sector is characterised by the existence of hundreds of small-scale on-farm self-mixers, with the exception of a few larger scale feedmillers. In addition to existing competition, feedmillers also face the threat of new entrants from players upstream (i.e. flourmillers) and downstream (i.e. rearers and processors of poultry) that see the synergistic advantages in moving into the feedmilling industry. On the other hand, participants in the duck breeding industry are less diverse, with the management's estimate of about 13 local duck breeding/hatcheries companies currently in operation.

Despite the apparent competition in the industries the Group is involved in, the directors of the Group are of the view that the reputed quality of its feed and ducklings, good after-sales service and long standing relationships with its suppliers and customers give the Group an edge over its competitors and position the Group favourably in the respective markets.

Although it is the management's intention to grow and compete effectively, there is no assurance that the Emivest Group will be able to maintain or surpass its existing market shares in the future.

3.6 Continuity of Management

The Emivest Group is led by an experienced, capable and dynamic management team, which includes qualified professionals such as veterinarians, chemists and nutritionists with good track records. Some of the directors and senior management of the Emivest Group have more than 10 years of experience in the feedmilling and livestock industries. With their vast experience and technical expertise, the management of the Emivest Group is able to identify and seize market opportunities to help the Group stay ahead of competition. The directors of Emivest is of the view that the continued success of the Emivest Group will depend to a significant extent upon the abilities and continued dedication of each of the directors and senior management staff. The loss of any key members of the Group may adversely affect the Group's continued ability to perform.

Nevertheless, measures and precautions have been taken in grooming younger members of the management team in key management areas to ensure that they will be provided with the necessary experience and exposure to gradually assume senior positions.

3.7 Control by the Substantial Shareholders

Upon the completion of the IPO, the Lau Brothers, via their substantial shareholding in Mega Perfect and LHHB, will collectively own a total of 53.07% of the Company's issued and paid-up share capital in Emivest. Together, they will effectively be able to control the outcome of certain matters requiring the vote of the Company's shareholders, unless they are required to abstain from voting by law and/or the relevant authorities.

3. THE RISK FACTORS (Cont'd)

3.8 *General Political and Economic Considerations*

The Group may be affected by changes in Malaysian governmental policy, political development and uncertain economic conditions in Malaysia, which are not within the control of the Group. As such, there can be no assurance that the financial and business prospects of the Group would remain favourable in the event of changes in the general political and economic conditions of the country.

3.9 *Achievability of Estimates and Forecasts*

The Prospectus contains certain estimates and forecasts for the Emivest Group that are based on assumptions which the directors deemed to be reasonable at the time of issuance of this Prospectus, but are, nonetheless subject to uncertainties and contingencies. Because of the subjective judgements and inherent uncertainties of estimates and forecasts and because events and circumstances frequently do not occur as predicted/expected, there can be no assurance that the estimates and forecasts contained herein will be realised and actual results may be materially different than those shown. Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forecasts that are contained herein.

3.10 *Disclosure Regarding Forward-Looking Statements*

This Prospectus includes forward-looking statements, which are statements other than statements of historical facts. These include certain sections, without limitation, in the “Business Overview” and “Future Plans of the Group”. Although the Group believes that, barring unforeseen circumstances, the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will prove to have been correct.

4. INFORMATION ON THE EMIVEST GROUP

4.1 Incorporation and Business

Emivest was incorporated as a private limited company on 2 January 1997 in Malaysia under the Act as Emivest Sdn Bhd. On 14 February 1997, it was converted into a public company to facilitate the listing of the Emivest Group on the Second Board of the KLSE.

Emivest is principally an investment holding company whilst the principal activities of its subsidiaries and associated companies are detailed in Section 4.4 below.

As at 30 November 2001, the Emivest Group has 203 employees.

4.2 Share Capital

The Company's present authorised share capital is RM50,000,000 comprising 50,000,000 Shares and the current issued and paid-up share capital is RM12,771,966 comprising 12,771,966 Shares.

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

Date of allotment	No. of Shares	Par value	Consideration	Cumulative issued and paid-up share capital
				RM
02.01.1997	2	1.00	Cash	2
30.06.2001	12,771,964	1.00	Acquisition of Gymtech and Acquisition of Sri Medan	12,771,966
Prior to listing	21,228,036	1.00	Acquisition of Gymtech and Acquisition of Sri Medan	34,000,002

The total consideration for the Acquisition of Gymtech and Acquisition of Sri Medan of RM37,400,000 was satisfied by the issuance of 12,771,964 Shares and the rights to allotment of 21,228,036 Shares at RM1.10 per Share. The 21,228,036 Shares in respect of the rights to allotment will be issued prior to listing.

4.3 Restructuring Scheme

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

4.3.1 Completion of the Acquisition of Ideal

Gymtech had on 23 October 2000, entered into a conditional Sale and Purchase Agreement with Manis Rasa Sdn Bhd to acquire 9,190,171 shares, representing 59.68% equity stake in Ideal, for a cash consideration of RM14,769,000.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

The Acquisition of Ideal is in line with Gymtech's plan to expand its business operations as well as market share and should enhance Gymtech's profitability in the long run. The Acquisition of Ideal was completed on 20 February 2001.

4.3.2 *Rights Issue*

After the completion of the Acquisition of Ideal, Gymtech carried out a rights issue of 3,130,061 new ordinary shares of RM1.00 at an issue price of RM1.00 each on the basis of approximately 21 new ordinary shares for every 31 ordinary shares held.

Pursuant to the Rights Issue, the issued and paid-up share capital of Gymtech increased from RM4,620,000 to RM7,750,061. The Rights Issue was completed on 28 June 2001.

4.3.3 *Acquisition of Gymtech*

Following the Rights Issue, Emivest acquired the entire issued and paid-up share capital of Gymtech comprising 7,750,061 ordinary shares of RM1.00 each for a purchase consideration of RM25,507,049. The Acquisition of Gymtech was made pursuant to a conditional Sale and Purchase Agreement entered into between Emivest and the vendors of Gymtech on 27 March 1997 and supplemented by agreements dated 25 November 2000 and 28 June 2001.

The purchase consideration was based on the audited NTA of Gymtech as at 31 December 1999 after adjusting for the Acquisition of Ideal and the Rights Issue of RM22,507,049. The audited NTA of Gymtech as at 31 December 1999 before the said adjustments was RM28,318,592. The audited consolidated NTA of Gymtech as at 30 June 2001 amounted to RM33,321,643.

The purchase consideration of RM25,507,049 was satisfied by the issuance of 10,048,271 Shares and the rights to allotment of 13,139,955 Shares at an issue price of RM1.10 per Share.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

The vendors of Gymtech and the settlement of purchase consideration are as follows:-

Vendors	No. of ordinary shares held in Gymtech	%	Purchase consideration	Consideration satisfied by	
				No. of Shares	Rights to allotment of no. of Shares ¹
RM					
Lau Brothers	4,262,534	55.00	14,028,877	-	12,753,525
Chee Kim Hoon	192,913	2.49	634,916	383,982	193,215
Nam Yok San	192,913	2.49	634,916	383,982	193,215
Amnah Bte Ibrahim	593,836	7.66	1,954,436	1,776,760	-
LTM	258,335	3.34	850,235	772,941	-
Rahmat Bin Ibrahim	775,006	10.00	2,550,705	2,318,822	-
Tan Sri Dato' Ahmad	775,006	10.00	2,550,705	2,318,822	-
Sabki Bin Jahidin					
Lt Kol (B) Kudri Bin Hj Siraj	348,920	4.50	1,148,369	1,043,971	-
Dato' Mohamed Salleh Bin Ahmad	350,598	4.52	1,153,890	1,048,991	-
	7,750,061	100.00	25,507,049	10,048,271	13,139,955

Note:-

- The 13,139,955 Shares in respect of the rights to allotment will be issued as part of the IPO.

The Acquisition of Gymtech was completed on 30 June 2001. The Shares issued/to be issued in relation to the Acquisition of Gymtech rank/will rank pari passu in all respects with the existing Shares of the Company.

4.3.4 Acquisition of Sri Medan

Concurrent with the Acquisition of Gymtech, Emivest acquired the entire issued and paid-up share capital of Sri Medan comprising 650,000 ordinary shares of RM1.00 each for a purchase consideration of RM11,892,951. The Acquisition of Sri Medan was made pursuant to a conditional Sale and Purchase Agreement entered into between Emivest and the vendors of Sri Medan on 27 March 1997 and supplemented by agreements dated 25 November 2000 and 28 June 2001.

The purchase consideration was arrived at based on the audited NTA of Sri Medan as at 31 December 1999 of RM11,892,951. The audited NTA of Sri Medan as at 30 June 2001 amounted to RM12,656,494.

The purchase consideration of RM11,892,951 was satisfied by the issuance of 2,723,693 Shares and the rights to allotment of 8,088,081 Shares at an issue price of RM1.10 per Share.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

The vendors of Sri Medan and the settlement of purchase consideration are as follows:-

Vendors	No. of ordinary shares held in Sri Medan	%	Purchase consideration	Consideration satisfied by	
				No. of Shares	Rights to allotment of no. of Shares ¹
RM					
Lau Brothers	422,500	65.00	7,730,418	-	7,027,653
Amnah Bte Ibrahim	75,800	11.66	1,386,901	1,260,819	-
LTM	75,900	11.68	1,388,731	202,055	1,060,428
Datuk Esa Bin Ahmad	75,800	11.66	1,386,901	1,260,819	-
	<u>650,000</u>	<u>100.00</u>	<u>11,892,951</u>	<u>2,723,693</u>	<u>8,088,081</u>

Note:-

1. The 8,088,081 Shares in respect of the rights to allotment will be issued as part of the IPO.

The Acquisition of Sri Medan was completed on 30 June 2001. The Shares issued/to be issued in relation to the Acquisition of Sri Medan rank/will rank pari passu in all respects with the existing Shares of the Company.

4.3.5 Sale of Shares

The Lau Brothers are entitled to the rights to allotment of 19,781,178 Shares as consideration for the Acquisitions. Pursuant to conditional Sale and Purchase Agreements entered into between Mega Perfect and the Lau Brothers on 27 March 1997 and supplemented by agreements dated 25 November 2000 and 28 June 2001, the Lau Brothers sold their entire rights to allotment of 19,781,178 Shares to Mega Perfect. Mega Perfect was incorporated in Malaysia under the Act on 22 May 1996 and is currently a dormant company with an issued and paid-up share capital of RM2.00. The directors and shareholders of Mega Perfect are Gan Ser Hock and Tan Geok Lee.

As consideration for the aforementioned sale, the Lau Brothers will be issued new ordinary shares of RM1.00 each in Mega Perfect. As Mega Perfect was set up as an investment holding company for the Lau Brothers, the consideration for the Sale of Shares has yet to be finalised. The Shares in Mega Perfect will be issued to the Lau Brothers upon the completion of the IPO. The Lau Brothers will be issued new ordinary shares in Mega Perfect in proportion to their respective consideration rights to allotment of Shares such that the Lau Brothers will hold the following equity interest in Mega Perfect:-

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

Lau Brothers	Rights to allotment of no. of Shares received as consideration for		Rights to allotment of no. of Shares sold to Mega Perfect	% equity interest in Mega Perfect
	Acquisition of Gymtech	Acquisition of Sri Medan		
Datuk Lau Chong Wang	1,821,933	1,039,594	2,861,527	14.48
Lau Bong Wong	1,821,932	1,039,594	2,861,526	14.47
Lau Chia Nguang	1,821,932	989,693	2,811,625	14.21
Datuk Lau Chir Nguan	1,821,932	989,693	2,811,625	14.21
Dato' Lau Eng Guang	1,821,932	989,693	2,811,625	14.21
Lau Hai Nguan	1,821,932	989,693	2,811,625	14.21
Datuk Lau Tuang Nguang	1,821,932	989,693	2,811,625	14.21
Total	12,753,525	7,027,653	19,781,178	100.00

4.3.6 IPO

(i) Public Issue

Emivest will issue 6,000,000 new Shares or approximately 15.0% of its enlarged issued and paid-up share capital at an issue price of RM1.50 per Share, pursuant to the Public Issue.

The Public Issue Shares will be allocated in the following manner:-

(a) Pink Form Allocations to Eligible Employees of the Emivest Group

300,000 new Shares representing approximately 0.75% of the enlarged issued and paid-up share capital have been reserved for eligible employees of the Emivest Group.

(b) Private Placement by the Placement Agent

4,500,000 new Shares representing approximately 11.25% of the enlarged issued and paid-up share capital will be placed with Malaysian Persons (which may include but not limited to customers, suppliers and employees of the Emivest Group) by the Placement Agent.

(c) Allocations via Balloting to the Malaysian Public

1,200,000 new Shares representing approximately 3.00% of the enlarged issued and paid-up share capital, will be made available for application by Malaysian Persons, of which at least 30% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

(ii) *Offer for Sale*

Simultaneously, certain shareholders of Emivest will offer for sale the rights to allotment of 8,000,000 Shares and 2,016,575 Shares, representing a total of approximately 25.04% of the enlarged issued and paid-up share capital, to LHHB, Bumiputera investors approved by MITI and certain existing Bumiputera shareholders of Emivest at an offer price of RM1.50 per Share as follows:-

	No. of Shares	Rights to allotment of no. of Shares	% of enlarged share capital of Emivest
Offerors			
Mega Perfect	-	6,553,142	(16.38)
Chee Kim Hoon	-	193,215	(0.48)
Nam Yok San	-	193,215	(0.48)
Amnah Bte Ibrahim	1,041,579	-	(2.61)
LTM	974,996	1,060,428	(5.09)
Total	2,016,575	8,000,000	(25.04)
Offerees			
LHHB	-	8,000,000	20.00
Bumiputera investors approved by MITI	2,004,000	-	5.01
Existing Bumiputera shareholders of Emivest	12,575	-	0.03
Total	2,016,575	8,000,000	25.04

In order to satisfy the National Development Policy as well as the public shareholding spread requirements, 2,016,575 Shares, representing approximately 5.04% of the enlarged issued and paid-up share capital of Emivest will be offered to certain existing Bumiputera shareholders and Bumiputera investors approved by the MITI. These parties will be subscribing for the Shares after the issuance of the Prospectus.

Further, to strengthen the relationship between the Emivest Group and LHHB in view of their trading relationship, the rights to allotment of 8,000,000 Shares will be offered to LHHB. The 8,000,000 Shares in respect of the rights to allotment represent approximately 20% of the enlarged issued and paid-up share capital of Emivest. The shareholders of LHHB have approved the acquisition of the rights to allotment of 8,000,000 Shares by LHHB on 28 November 2001.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

4.4 *Subsidiary and Associated Company*

The details of the subsidiaries and associated companies of Emivest, all of which were incorporated in Malaysia, are as follows:-

Name	Date of incorporation	Issued and paid-up share capital RM	Equity interest %	Principal activities
Subsidiaries				
Gymtech	28.11.1981	7,750,061	100	Manufacturing and marketing of animal feed
Sri Medan	05.04.1989	650,000	100	Duck breeders, sales of poultry, eggs and others
Ideal	31.12.1965	15,400,000	59.68 ¹	Manufacturing and marketing of animal feed
Kayangan Runding	09.03.1995	2	100 ¹	Dormant
Associated companies				
Indahgrains	12.06.1996	6,000,000	20 ¹	Operating of warehouse and warehouse management
Hatchery	30.11.1976	1,200,000	33.33 ²	Dormant

Notes:-

1. Held through Gymtech.
2. Held through Ideal.

4.4.1 *Gymtech*

(i) *Incorporation*

Gymtech was incorporated in Malaysia under the Act as Leong Hup Feedmill Sdn Bhd on 28 November 1981. On 13 June 1990, it assumed its present name. As at the date of this Prospectus, Gymtech is a wholly-owned subsidiary of Emivest.

The principal activities of Gymtech are manufacturing and marketing of animal feed.

(ii) *Share Capital*

The authorised share capital of Gymtech is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each. The current issued and paid-up share capital of Gymtech is RM7,750,061 comprising 7,750,061 ordinary shares of RM1.00 each.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

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

Date of allotment	No. of shares	Par value RM	Consideration	Cummulative issued and paid-up share capital RM
28.11.1981	3	1.00	Cash	3
14.01.1982	100,000	1.00	Cash	100,003
02.01.1987	50,000	1.00	Cash	150,003
01.07.1989	353,997	1.00	Cash	504,000
31.12.1990	1,001,000	1.00	Cash	1,505,000
18.06.1993	3,115,000	1.00	Cash	4,620,000
28.06.2001	3,130,061	1.00	Rights Issue	7,750,061

(iii) **Subsidiary and Associated Company**

The subsidiaries and associated company of Gymtech as the date of this Prospectus is as follows:-

Name	Date of incorporation	Issued and paid-up share capital RM	Equity interest %	Principal activities
Subsidiaries				
Ideal	31.12.1965	15,400,000	59.68	Manufacturing and marketing of animal feed
Kayangan Runding	09.03.1995	2	100	Dormant
Associated company				
Indahgrains	12.06.1996	6,000,000	20	Operating warehouse of and warehouse management
Hatchery	30.11.1976	1,200,000	33.33 ¹	Dormant

Note:-

- Held through Ideal.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

(iv) Financial Record

The financial records of Gymtech, based on its audited consolidated accounts for the past five (5) financial years ended 31 December 1996 to 2000 and for the six (6) months period ended 30 June 2001 are as follows:-

Financial year ended 31 December	←----- Audited -----→					6 months period ending 30 June 2001
	1996	1997	1998	1999	2000	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	122,540	136,489	172,662	145,312	167,083	99,057
EBIDTA	9,592	11,470	13,073	11,061	11,976	8,077
Interest income	361	368	24	1	25	1
Finance costs	(2,207)	(3,064)	(4,361)	(2,340)	(1,906)	(1,627)
Depreciation	(1,269)	(1,543)	(1,626)	(1,598)	(1,623)	(1,196)
Amortisation of goodwill	-	-	-	-	-	(80)
Share of profit of associated company	-	-	202	271	139	157
PBT	6,477	7,231	7,312	7,935	8,611	5,332
Taxation	(1,542)	(1,375)	(2,333)	7	(2,359)	(1,425)
Profit after taxation before MI	4,935	5,856	4,979	7,942	6,252	3,907
MI	-	-	-	-	-	(386)
PAT	4,935	5,856	4,979	7,942	6,252	3,521
Weighted average no. of shares in issue ('000)	4,620	4,620	4,620	4,620	4,620	6,185
Gross EPS (RM)	1.40	1.57	1.58	1.72	1.86	1.83*
Net EPS (RM)	1.07	1.27	1.08	1.72	1.35	1.21*
Gross dividend rate (%)	-	-	-	150	50	-
Net dividend rate (%)	-	-	-	150	50	-

Notes:-

* Annualised.

- The above results were arrived at after adjustments as indicated in Section 7.2 of the Accountants' Report.
- Revenue increased in 1997 and 1998, mainly due to the increase in production output and selling prices of feed, which was in line with the higher raw material prices. As a result, Gymtech Group registered a higher PBT in 1997. Although revenue increased substantially in 1998, PBT in 1998 increased marginally, mainly due to the increase in finance costs.
- The decrease in revenue in 1999 was mainly due to lower selling prices of feed. Revenue in 2000 increased, due to increase in production output. In 1999 and 2000, PBT increased, mainly due to reduction in finance cost.
- The increase in the consolidated results for the six months period ended 30 June 2001, on an annualised basis, was mainly due to the inclusion of the results of Ideal from the date of acquisition by Gymtech.
- There were no exceptional and extraordinary items during the periods under review.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

4.4.2 Sri Medan**(i) Incorporation**

Sri Medan was incorporated in Malaysia under the Act on 5 April 1989. As at the date of this Prospectus, Sri Medan is a wholly-owned subsidiary of Emivest.

Sri Medan is principally involved in the breeding of duck, sales of poultry, eggs and others.

(ii) Share Capital

The authorised share capital of Sri Medan is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The current issued and paid-up share capital of Sri Medan is RM650,000 comprising 650,000 ordinary shares of RM1.00 each.

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

Date of allotment	No. of shares	Par value	Consideration	Cummulative issued and paid-up share capital
		RM		RM
05.04.1989	3	1.00	Cash	3
25.04.1989	4	1.00	Cash	7
15.12.1990	299,993	1.00	Cash	300,000
26.03.1992	350,000	1.00	Cash	650,000

(iii) Subsidiary and Associated Company

As at the date hereof, Sri Medan does not have any subsidiary and associated company.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)**(iv) Financial Record**

The proforma financial records of Sri Medan based on its audited accounts for the six (6) financial years ended 30 April 1996 to 2001, for the eight (8) months period ended 31 December 1996 to 2000 and for the two (2) months period ended 30 June 2001 are as follows:-

Year ended 31 December	←-----Proforma-----→					
	1996	1997	1998	1999	2000	6 months ended 30 June 2001
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	9,651	9,695	9,287	10,346	9,117	4,519
EBIDTA	3,555	2,830	2,435	2,819	2,353	958
Interest income	9	387	251	100	60	32
Finance costs	(524)	(526)	(369)	(206)	(68)	(43)
Depreciation	(498)	(475)	(480)	(473)	(420)	(185)
PBT	2,542	2,216	1,837	2,240	1,925	762
Taxation	(410)	(270)	(463)	(433)	(365)	(258)
PAT	2,132	1,946	1,374	1,807	1,560	504
Weighted average no. of shares in issue ('000)	650	650	650	650	650	650
Gross EPS (RM)	3.91	3.41	2.83	3.45	2.96	2.34*
Net EPS (RM)	3.28	2.99	2.11	2.78	2.40	1.55*
Gross dividend rate (%)	-	300	300	-	200	-
Net dividend rate (%)	-	300	300	-	200	-

Notes:-

* Annualised.

1. Despite sustainable revenue achieved in 1997, Sri Medan recorded a lower gross profit margin and PBT, mainly due to higher feed cost and increase in cost of importing parent stock day-old-ducklings as a result of the weaker Malaysian currency.
2. In 1998, revenue and PBT decreased, mainly due to the reduction in production quantity.
3. The increase in revenue and PBT in 1999 was mainly due to increase in selling price of ducklings as a result of the efforts undertaken by duck breeders in the previous year to reduce production as well as the reduction in the finance costs.
4. In 2000 and 2001, on an annualised basis, Sri Medan registered a lower revenue and PBT due mainly to lower selling price of ducklings.
5. There were no exceptional and extraordinary items during the periods under review.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

4.4.3 Ideal

(i) Incorporation

Ideal was incorporated in Malaysia under the Company Ordinance 1940-1946 on 31 December 1965 as Ideal Multifeed (Malaysia) Limited. Pursuant to Section 23(5) of the Act, Ideal changed its name to its current name of Ideal Multifeed (Malaysia) Sdn Bhd on 15 April 1966. As at the date of this Prospectus, Ideal is a 59.68% owned subsidiary of Gymtech. Other substantial shareholders (holding more than 5% or more of the issued and paid-up share capital of Ideal) of Ideal are as follows:-

Shareholder	No. of shares		%	
	Direct	Indirect		
Ang Toon Chew & Sons (Malaysia) Sdn Bhd	2,297,803	1,829,982 ¹	14.92	11.88
Hoe Seng Chan Company Sdn Bhd	1,829,982	-	11.88	-
Ang Guan Seng	65,555	4,127,785 ²	0.43	26.80
Golden California Limited	-	4,127,785 ²	-	26.80
Wong Lai Yin	-	4,127,785 ²	-	26.80
Ang Poon Kiat	-	4,127,785 ²	-	26.80
Ang Fun Eng	-	4,127,785 ²	-	26.80
Nai Seng Sdn Bhd	-	1,829,982 ¹	-	11.88

Notes:-

1. By virtue of their interests in Hoe Seng Chan Company Sdn Bhd.
2. By virtue of their interests in Ang Toon Chew & Sons (Malaysia) Sdn Bhd and Hoe Seng Chan Company Sdn Bhd.

The principal activities of Ideal are manufacturing and marketing of animal feed.

(ii) Share Capital

The authorised share capital of Ideal is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each. The current issued and paid-up share capital of Ideal is RM15,400,000 comprising 15,400,000 ordinary shares of RM1.00 each.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

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

Date of allotment	No. of shares	Par value	Consideration	Cummulative issued and paid-up share capital
		RM		RM
01.02.1966	500,000	1.00	Cash	500,000
06.02.1967	50,000	1.00	Cash	550,000
05.04.1968	100,000	1.00	Cash	650,000
25.08.1969	325,000	1.00	Cash	975,000
30.09.1969	25,000	1.00	Cash	1,000,000
23.12.1972	1,000,000	1.00	Cash	2,000,000
24.09.1975	1,000,000	1.00	Cash	3,000,000
21.02.1981	3,000,000	1.00	Cash	6,000,000
18.05.1994	3,000,000	1.00	Cash	9,000,000
09.12.1998	6,400,000	1.00	Cash	15,400,000

(iii) **Subsidiary and Associated Company**

As at the date hereof, Ideal does not have any subsidiary company. The associated company of Ideal as the date of this Prospectus is as follows:-

Associated Company	Date of incorporation	Issued and paid-up share capital	Equity interest	Principal activity
		RM	%	
Hatchery	30.11.1976	1,200,000	33.33	Dormant

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)**(iv) Financial Record**

The financial records of Ideal based on its audited accounts for the past five (5) financial years ended 31 December 1996 to 2000 and for the six (6) months period ended 30 June 2001 are as follows:-

Financial year ended 31 December	←-----Audited-----→					6 months period ended 30 June 2001
	1996	1997	1998	1999	2000	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	33,183	40,920	61,463	70,484	80,499	37,643
EBIDTA	(4,240)	3,126	4,179	4,399	4,387	1,952
Finance costs	(1,047)	(1,551)	(2,334)	(1,563)	(1,003)	(505)
Depreciation	(165)	(955)	(970)	(1,033)	(1,215)	(601)
Exceptional items	6,203	-	-	-	-	-
PBT	751	620	875	1,803	2,169	846
Taxation	-	-	-	-	-	-
Profit after taxation before MI	751	620	875	1,803	2,169	846
MI	-	-	-	-	-	-
PAT	751	620	875	1,803	2,169	846
Weighted average no. of shares in issue ('000)	9,000	9,000	15,400	15,400	15,400	15,400
Gross EPS (sen)	8.34	6.89	5.68	11.71	14.08	10.99*
Net EPS (sen)	8.34	6.89	5.68	11.71	14.08	10.99*
Gross dividend rate (%)	-	-	-	-	-	-
Net dividend rate (%)	-	-	-	-	-	-

Notes:-

* Annualised.

- The results of Ideal are included in the consolidated accounts of Gyntech from 1 March 2001.
- The exceptional item in year 1996 was related to gain on disposal of freehold land. There were no other exceptional and extraordinary items during the periods under review.
- Ideal recorded a higher turnover and PBT in 1997, mainly due to the increase in production quantity. However PBT decrease marginally due to higher depreciation and finance costs during the year.
- The increase in revenue in 1998 was mainly due to increase in production quantity as a result of the company's penetration into the Southern market of Peninsular Malaysia and increase in selling price of feed, which was in line with higher raw material prices. PBT increased marginally due to higher finance costs.
- In 1999, despite a lower selling price of feed, which was in line with the decrease in raw material prices, Ideal achieved a higher turnover. This was mainly due to increase in production quantity. PBT was higher due to improvement in gross profit margin and reduction in finance costs.
- In 2000, turnover increased due to improvement in production quantity and selling price of feed. However, the increase in gross profit margin was marginal as increase in raw material prices was higher than the increase in selling prices of feed. PBT was higher due to reduction of finance costs.
- Results for 6 months ended 30 June 2001, on an annualised basis, showed a lower turnover, mainly due to lower production quantity. However, gross profit margin improved due to higher selling price of feed. PBT is lower due to provision of doubtful debts made during the period.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

4.4.4 Kayangan Runding**(i) Incorporation**

Kayangan Runding was incorporated in Malaysia under the Act on 9 March 1995. Kayangan Runding is currently dormant.

(ii) Share Capital

The authorised share capital of Kayangan Runding is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of shares	Par value RM	Consideration	Total RM
09.03.1995	2	1.00	Cash	2

(iii) Subsidiary and Associated Company

As at the date hereof, Kayangan Runding does not have any subsidiary and associated company.

(iv) Financial Records

Kayangan Runding has been dormant since its incorporation and prior to 2000, all expenses incurred have been recognised as deferred expenditure in the balance sheets of Kayangan Runding. In 2000, in line with Malaysian Accounting Standards Board 1, Presentation of Financial Statements, Kayangan Runding expensed off the deferred expenses and its results were included in the consolidated accounts of Gymtech.

Kayangan Runding recorded a net loss of RM1,358 for the 6 months ended period ended 30 June 2001 while its net tangible liabilities stood at RM14,647 as at 30 June 2001.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

4.5 Business Overview

The Emivest Group is primarily involved in the manufacturing and trading of livestock feed as well as breeding and trading of broiler day-old-ducklings (“DODs”). The feedmilling business of the Group is carried out by the Gymtech Group whilst another subsidiary of Emivest, Sri Medan is involved in the breeding and trading of broiler DODs.

4.5.1 Gymtech Group**(i) History of Business Operations**

Gymtech was initially set up in 1982 as a temporary factory to produce feed on a trial basis to test the feasibility of producing animal feed in Malaysia. The factory was located at 9 ½ miles, Jalan Yong Peng, Muar. It ceased production in 1984.

In 1986, Gymtech resumed operations by trading animal feed. In 1989, Gymtech commenced the construction of its feedmill at Bukit Rambai Industrial Estate, Melaka, which occupies a land area of approximately 155,000 sq ft. The feedmill was completed in mid-1991 and production commenced with an initial monthly production capacity of 11,500 MT.

In order to remain competitive in the market as well as to take advantage of the growing demand for feed in Malaysia, in 1996, Gymtech expanded its production capacity by maximizing storage and mixing capacity and upgrading its machinery. The upgrading exercise, completed in mid-1996, has increased Gymtech’s production capacity to 17,500 MT per month based on 24 operational hours per day.

To further enhance its market position in the feed industry, Gymtech had acquired a 59.68% equity stake in Ideal. Ideal’s feedmill is located at the Tanga Batu Industrial Estate in Melaka. The factory is built on a land of approximately 260,000 sq ft and has a production capacity of 13,000 MT per month.

(ii) Principal Products and Services

The Gymtech Group manufactures and markets various types of animal feed for the local livestock industry, which include poultry, pig and duck. The feed comes in customised nutrition mix to meet the different nutrition requirements of the animals at various stages of growth and performance. The feed also comes either in the form of mash, pellet or crumble to suit the preferences of the animals.

Gymtech has over the years successfully secured a market positioning for its feed. Its feed, marketed under the brand names “Gymtech” and “Ideal”, is popular and widely accepted, particularly for poultry and pig due to its consistent standard of quality and reliable after-sales service.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

In order to achieve customer satisfaction and to ensure that the highest quality standards are met, nutritionist and chemist conduct continuous quality checks in the in-house laboratory. The Gymtech Group also provides support services to its customers in terms of efficient delivery and after-sales service. With the aid of 5 of its own tankers, 2 units of lorry and over 24 contracted lorries, the Gymtech Group ensures timely delivery of feed to its customers. In addition, free veterinary service is also provided to all the Gymtech Group's customers. The Gymtech Group's team of veterinarians visits farms to diagnose farm diseases and recommend treatment as well as advise on proper flock health programme and farm management.

(iii) ***Production Output***

The production output of Gymtech's feedmill and Ideal's feedmill for the past 5 years are tabulated below:-

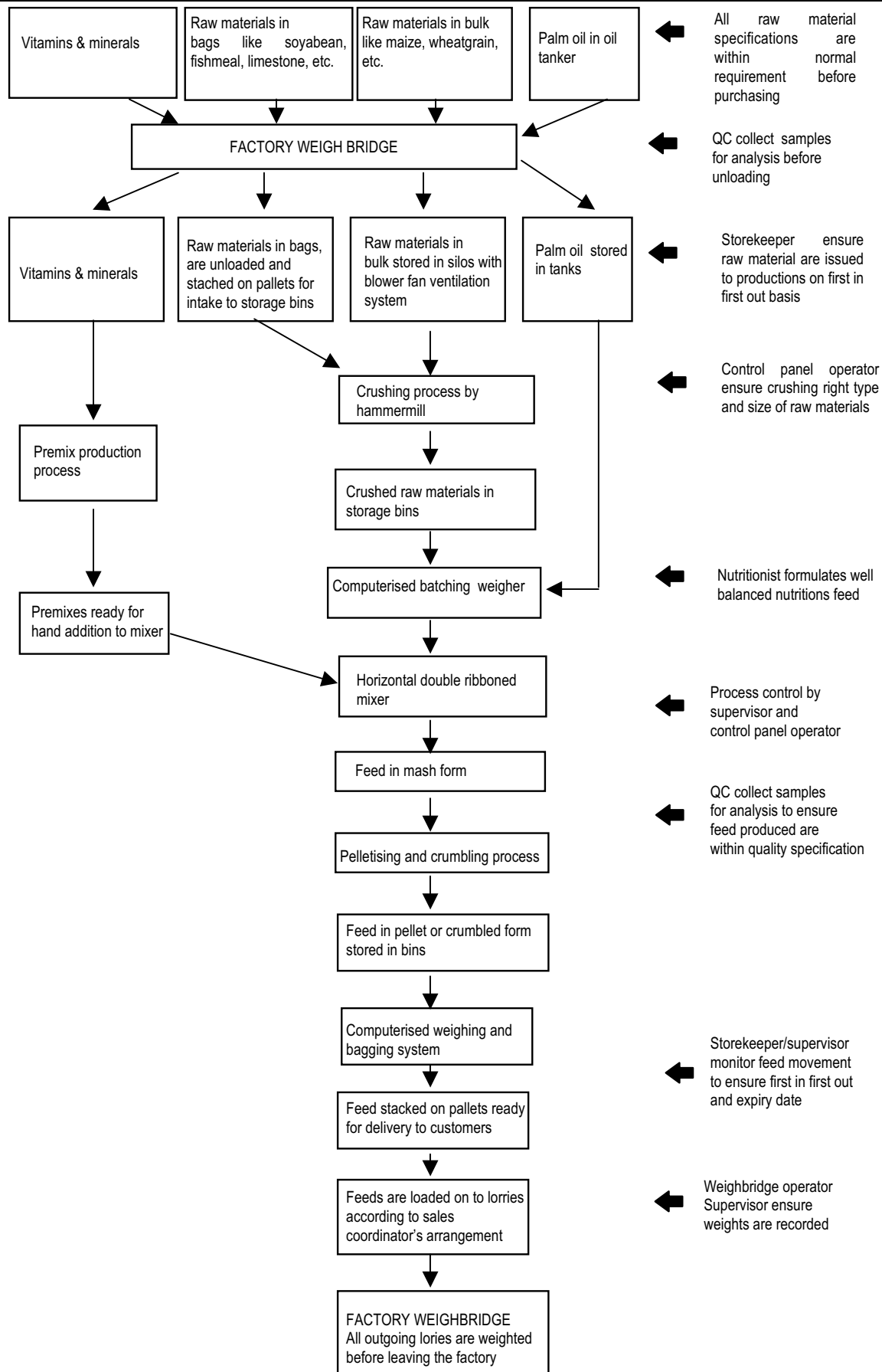
Financial year ended 31 December	Annual production output	
	Gymtech MT'000	Ideal MT'000
1996	157	44
1997	169	54
1998	182	67
1999	180	94
2000	203	99

(iv) ***Production Processes and Quality Control ("QC") Procedures***

The typical feed production processes at the Gymtech Group, detailing stringent quality control measures throughout the processes can be illustrated as follows:-

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

PRODUCTION PROCESS FLOW CHART



4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

(v) Principal Markets and Distribution Network

At present, the Gymtech Group's feed is produced only for the domestic market. The management of Gymtech is of the opinion that the short storage life of compound feeds, i.e. approximately 1 to 2 weeks, hinders both export and import of feed. This protects the domestic feed market from foreign competition, further spurring the growth of the local feed manufacturing industry.

As at 30 June 2001 (based on the latest audited accounts of the Emivest Group), the Gymtech Group's key customers are LHHB and its subsidiaries, Teratai Agriculture Sdn Bhd, Chop Hong Leong, Moh Kee Hatchery, Lega Jati Sdn Bhd, Sri Ternak Wilayah Sdn Bhd, LTM, Syarikat Leong Seng, and Tong Ming Poultry. Together they account for over 50% of the Gymtech Group's total turnover.

The feed is either distributed directly to the farmers by the Gymtech Group or through the Gymtech Group's appointed dealers. The Gymtech Group currently has around 16 key dealers to market its feed. Direct sales are targeted at farms located in various states of Peninsular Malaysia i.e. Johor, Negeri Sembilan, Melaka, Selangor, Pahang and Perak. On the other hand, the dealers have a wider distribution network which encompasses farmers located in both the east and west coasts of Peninsular Malaysia.

(vi) Source and Availability of Raw Materials

The Gymtech Group's feed is known for its high quality ingredients that are high in nutrient content. Currently, the Gymtech Group sources about 45% of its raw materials from local trading houses. The trading houses import most of these raw commodities as they are not available locally. Its remaining raw material requirements are either purchased directly from overseas suppliers (35%) or sourced from local suppliers (20%).

The main ingredients used by the Gymtech Group for its feed are:-

Raw commodities: Maize, soybean meal, wheat pollard, palm oil etc.

Supplements: Vitamins, trace minerals, amino acids, anti-mold and anti-oxidant etc.

The Gymtech Group purchases its raw materials selectively. Prudent inventory control is practised in order to maintain good quality raw materials and finished goods. Details of the Gymtech Group's key suppliers for its purchases as at 30 June 2001 are as follows:-

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

Suppliers	Purchases	Length of Relationship Years
Soon Soon Oilmills Sdn Bhd	Soyabean meal	3
Hoe Seng Chan Co Sdn Bhd	Maize, soya bean meal and wheat pollard	9
Ghee Huat Co Pte Ltd (Singapore)	Maize and soyabean meal	10
QL Feedingstuffs Sdn Bhd	Fishmeal, maize and soyabean meal	9
Johor Bahru Flour Mill Sdn Bhd	Wheat pollard	9
Melaka Tong Bee Sdn Bhd	Crude palm oil	9
Heilong Jiang Trading (M) Sdn Bhd	Maize	4
International Protein Corporation (United States of America)	Corn gluten meal	5
Rhodia Malaysia Sdn Bhd/ Aventis Animal Nutrition Asia Pacific Pte Ltd (France)	Rhodirnet and vitamins	10
Age D'or Chemicals Sdn Bhd	Dicalphos 20% and L-Lysine	10
Cargill Malaysia Sdn Bhd	Soyabean meal	5

(vii) Competitive Conditions

The management estimates that there are about 23 feedmilling operations in the country (excluding on-farm selfmixers). The key players in the industry, based on the management of Gymtech's estimate of their feed productions, are Charoen Pokphand Jaya Farm (M) Sdn Bhd, FFM Berhad (formerly known as Federal Flour Mills Bhd), Gymtech (including Ideal), Gold Coin Feedmill (M) Bhd, Cargill Malaysia Sdn Bhd, Dinding Soya & Multifeeds Sdn Bhd, Sinmah Multifeeds Sdn Bhd, KFC Integrated Poultry Industry Sdn Bhd and Pin Wei Feedmill Sdn Bhd. The management of Gymtech believes that these feedmillers collectively control approximately 80% share of the feed market in Peninsular Malaysia.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

To the best knowledge of the management of Gymtech, the Gymtech Group currently captures around 9% of the market share for sales of feed in Peninsular Malaysia. The management of Gymtech is of the view that its strengths in the following gives it an edge over its competitors:-

- consistency in feed quality;
- established customer-feedmiller relationship;
- reliable and wide spread distribution network; and
- ability to provide reliable support services, e.g. veterinary services.

(viii) ***Research & Development (“R&D”)***

R & D in the feed industry is usually concentrated towards product development. The Gymtech Group’s product development team consists of a nutritionist, a chemist and four veterinarians.

The chemist conducts stringent quality control checks to select superior quality raw ingredients. The nutritionist in turn scientifically formulates premium quality feeds using the selected ingredients. On the other hand, the veterinarians provide professional advice on proper farm management and disease control.

With a well-equipped laboratory and a team of dedicated staff, the Gymtech Group is confident that its quest to continuously upgrade the quality of its feed can and will be achieved.

4.5.2 Sri Medan

(i) ***History of Business Operations***

Sri Medan commenced its business operations in 1991. Sri Medan is principally involved in the breeding of ducklings for retail to contract farmers. Upon its inception, Sri Medan was granted a pioneer Status under the Promotion of Investments Act 1968, enabling it to enjoy tax incentives between 1991 to 1996 for the breeding of broiler day-old-ducklings (“DODs”).

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

From its humble beginnings, Sri Medan today boasts of four duck breeding farms and an international standard hatchery which produces approximately five (5) million ducklings every year. Details of Sri Medan's duck farming operations are as follows:-

	Built-up area	Parent stock population	Maximum output	Location
	Sq ft		Million	
Farm 1	54,990	9,700	1.34 ¹	Mukim Sri Medan, Batu Pahat, Johor
Farm 2	49,815	8,700	1.25 ¹	Mukim Sri Medan Batu Pahat, Johor
Farm 3	77,220	13,500	1.90 ¹	Mukim Sri Medan Batu Pahat, Johor
Farm 4	81,900	14,400	2.00 ¹	Mukim Jorak Muar, Johor
Pagoh Hatchery	38,100	15 units	7.7 ²	Mukim Jorak Muar, Johor

Notes:-

1. Maximum output per lifecycle
2. Egg setting capacity per annum

(ii) **Principal Products and Services**

Sri Medan imports broiler parent stock day-old-ducklings ("PSDODs") to produce DODs for sale to farms throughout Peninsular Malaysia. Sri Medan specializes in breeding "Cherry Valley" ducks, which is internationally recognised as one of the best breeds in the world.

(iii) **Production output**

The production output of Sri Medan for the past 5 years are tabulated below:-

Financial year ended 30 April	Annual production output No. of ducklings ('000)
1997	4,548
1998	6,212
1999	5,088
2000	4,216
2001	5,354

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

(iv) ***Breeding Processes and Quality Control Procedures***

Sri Medan imports broiler PSDODs from Cherry Valley, England. The PSDODs (Super M2) are brought into the country under well-managed conditions and are brooded in breeder farms.

Growing Stage

In the duck house, the males and females are initially brooded separately. Vaccination and medication are administered to ensure that the ducklings are free from any diseases. These ducklings are then mixed at 8 weeks of age at the ratio of 5 females : 1 male. Restricted feeding is practiced to control the body weight. Strict hygiene and sanitation is practiced. Unauthorized personnel are not allowed to enter the farm to avoid disease transmission.

Laying Stage

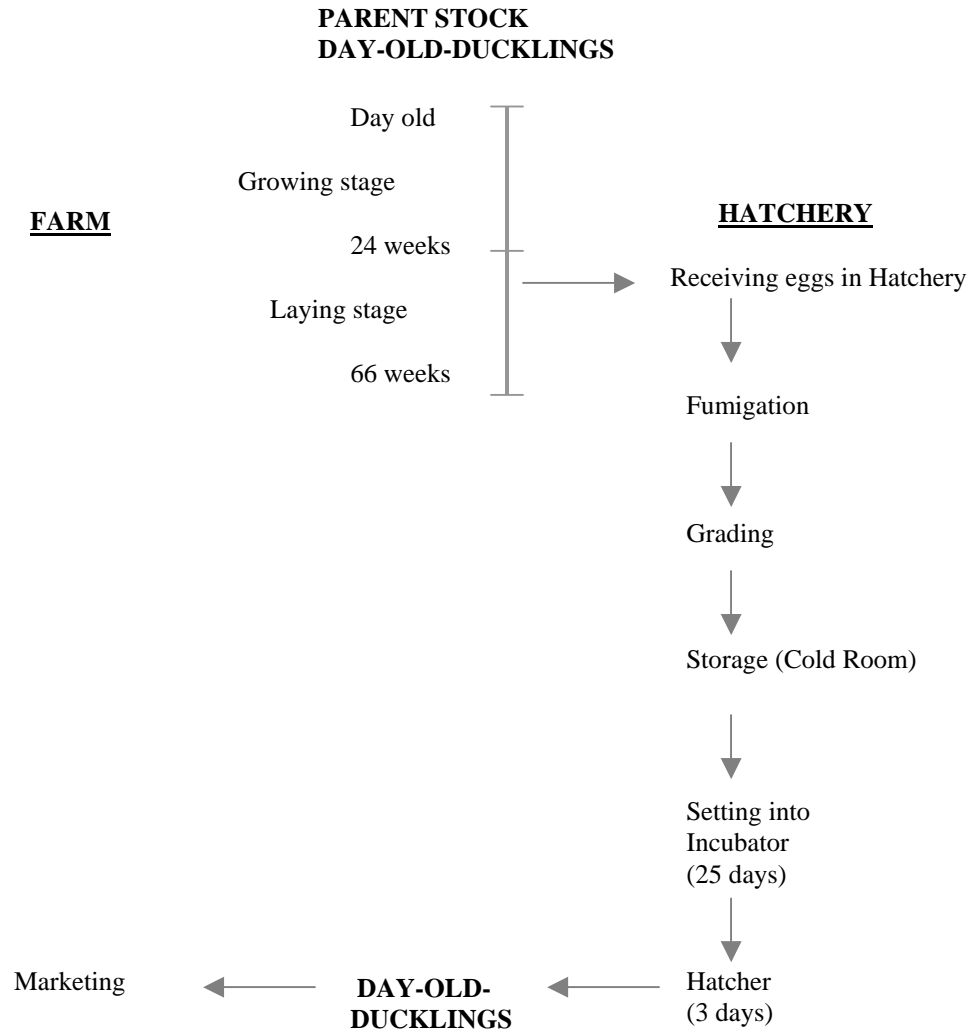
The ducks lay for about 24 -25 weeks of age and are depopulated at 65-70 weeks. The eggs are selected, fumigated and sent to the hatchery.

Hatching

In hatchery, the eggs received are fumigated and kept in the cold room (with temperature at about 18 degree Celsius). The eggs are set twice per week into the incubator. On the 9th day, candling is done to remove infertile and early embryonic death. Then, the eggs are transferred to the hatcher on the 25th day. Second candling is done to remove any late embryonic eggs. The eggs remain in the hatcher for about 3 days until hatching. The ducklings take about 28 days to hatch. In the incubators and hatchers, the temperature, humidity and ventilation are controlled to achieve a maximum number of high quality DODs. Stringent sanitation and hygiene measures are followed.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

The duck breeding and hatching processes of Sri Medan is summarised in the flow chart below:-



4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

(v) Principal Markets and Distribution Network

In Malaysia, duck meat is more popular among the Chinese community. However, Sri Medan is working closely with VSD to promote duck meat to other communities. Sri Medan has participated in numerous food expositions to promote duck meat by introducing the various recipes for duck meat.

Sri Medan's present market encompasses only Peninsular Malaysia, although there is a going export market for DODs. Sri Medan's customers for DODs consist of small and medium scale duck farmers. Distributions of the DODs are carried out by Sri Medan's own distribution channels as it promotes a better relationship between the farmers and the company. Sri Medan's key customers as at 30 June 2001 (based on the latest audited accounts of the Emivest Group) include Jimat Jaya Sdn Bhd, Moh Kee Hatchery, Mun Foong Food Sdn Bhd and Dragonway Enterprise.

(vi) Source of Breeder Stock and Raw Materials

The main costs involved in breeding DODs are PSDODs, duck feed, vaccines and medicines.

Sri Medan imports only the best qualities of parent stock for breeding, i.e. the Cherry Valley breed, directly from England. The Cherry Valley breed is highly regarded among duck breeders world wide as it produces more meat than fat per kilogram, providing farmers up to 40% more returns. These ducks are then fed with a balanced feed rations to achieve maximum production of hatchable eggs. The supply of duck feed, on the other hand, is procured in-house while the supply of vaccines and medicines is mainly sourced from F.E.Venture Sdn Bhd.

Details of Sri Medan's key suppliers of its raw materials as at 30 June 2001 (based on the latest audited accounts of the Emivest Group) are as follows:-

Suppliers	Inputs	Relationship
		Years
Cherry Valley (England)	PSDODs	9
Ideal	Duck feed	7
F.E. Venture Sdn Bhd	Vaccines and medicines	8

(vii) Competitive Conditions

The VSD reports that in year 2000, there were about 13 duck breeders in Peninsular Malaysia with the top three breeders were each producing above 3 million ducklings each annually. The management of Sri Medan is of the view that Sri Medan is one of the largest duck producers in Malaysia and currently captures 20-25% of the local market for ducklings.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

The major competitors of Sri Medan and the location of their breeding farms are as follows:-

Competitor	Location
Tan Choi Hin	Butterworth, Penang
Yeoh Seh Farm	Nibong Tebal, Penang
Yoong Lon Sdn Bhd	Bidor, Perak

Sri Medan is confident that it is capable of maintaining its market share in the production of DODs as the company has built strong ties with its customers based on its reputation as a reliable supplier of quality DODs. Most duck breeders have been Sri Medan's customers since its inception in 1991.

(viii) *Technology Updates*

The management of Sri Medan is of the view that the company needs to keep abreast with the latest technology in order to stay ahead of competition. Some of the efforts undertaken by the management include:-

- Acquiring the latest technology in commercial duck breeding from Taiwan, Thailand, United Kingdom and Australia.
- Close coordination with the VSD on disease control.
- Looking into the various ways to improve duck feed and nutrition.
- Having a good diagnostic laboratory service to improve flock health.

4.5.3 *Staff Strength of the Emivest Group*

As at 30 November 2001, the Emivest Group (including Ideal) has total work force of 203 employees divided into 54 administrative staff and 149 production workers. More than half of its executives, supervisors and senior management team have an average of 10 years of experience in the feed and livestock industry and most of them have been with the Emivest Group for more than 5 years. The loyalty and dedication of the senior management and employees of the Emivest Group throughout the years and their technical expertise will continue to contribute to success of the Group.

The following is a table setting out the breakdown of the length of service of Group's staff force:-

Categories of Employees	No. of employees			Total
	< 1 year	1-5 years	> 5 years	
Managerial	4	4	22	30
Technical	3	5	19	27
Clerical	7	7	15	29
General workers (including foreign workers)	29	62	26	117

4. INFORMATION ON EMIVEST GROUP (Cont'd)

Save for Ideal's employees, none of the employees in the Emivest Group belong to any union. As for Ideal, a collective agreement was signed between the company and the Food Industry Employees Union covering the period from 1 January 2000 to 31 December 2002 for employees other than managerial, executive, confidential and security staff. The relationship between the management and employees is cordial and no industrial disputes have occurred in the past.

4.5.4 Interruption/ Disruption in Business

The Emivest Group did not experience any disruption in business having significant effect on its operations for the past twelve (12) months prior to the date of this Prospectus.

4.6 Industry Overview and Prospects of the Group**4.6.1 Malaysian Economy**

The performance of the Malaysian economy in 2001 has been adversely affected by the greater-than-expected slowdown in the world economy, particularly in the United States (US) as well as the continuing weak performance of the Japanese economy. The recent attack on the US has led to greater uncertainties with respect to the severity and duration of the recovery in the US. There are concerns on the risks of the US economy entering into a recession and its contagion on other industrialised and developing economies. In the light of the more difficult environment, real GDP growth of the Malaysian economy is projected to grow by 1-2% for 2001. Following the lower growth in nominal value, Gross National Product (GNP) of 1.8%, GNP per capita is forecast to be somewhat lower at RM13,333 or USD3,509 (2000: RM13,411 or USD3,529). In terms of purchasing power parity, however, per capita income is expected to increase by 1.3% to USD8,944 (2000: USD8,831), after taking into account lower domestic inflation.

The outlook of the external sector in 2002 remains uncertain, particularly in the light of the aftermath of the attack on the US. While it is generally viewed that the US may avoid a recession, the recovery would be delayed with an upturn taking place gradually in the later part of 2002. The prospect for a growth in Japan continues to be discouraging, with the economy not expected to witness a rapid growth. Given the weaker performance of the US and Japan, world growth has subsequently been revised downwards to 2.6%, with the GDP growth for the major industrialised countries decelerating to 1.3%. Taking cognisance of the uncertainties in the external environment, growth for the Malaysian economy will continue to be spearheaded by domestic activities. In this regard, the Government will continue to adopt an expansionary fiscal policy to further strengthen domestic demand to generate growth. At the same time, to increase business confidence and commitment, the Government will ensure a more conducive business environment for the private sector's expansion and initiatives. The Malaysian economy is forecast to grow by 4-5% in 2002, led by stronger performances in the manufacturing and services sectors.

(Source: Economic Report 2001-2002)

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

4.6.2 The Livestock Industry

During the Seventh Malaysian Plan 1996-2000 (“Seventh Plan”), the livestock subsector recorded an improvement in terms of agricultural value added and grew at 3.1 per cent per annum, from RM953 million in 1995 to RM1.1 billion in 2000. The poultry industry continued to be the main source of growth for the livestock subsector accounting for RM4.3 billion in current value or 67.1 per cent of the total livestock produce in 2000. During the Seventh Plan period, it registered 8.8 per cent growth per annum, whereby production increased from 687,000 tonnes in 1995 to one million tonne in 2000.

During the Eighth Malaysian Plan 2001-2005 (“Eighth Plan”), livestock value added is projected to grow by 5.6 per cent per annum, from RM1.1 billion in 2000 to RM1.5 billion in 2005, particularly through the adoption of new technologies and upgrading of existing production technologies. To meet the expanding local and export markets, the production of chicks and ducklings, processing and marketing of poultry and higher value added products will be further integrated. Poultry production is expected to increase by 4.8 per cent per annum, from one million tonne in 2000 to 1.3 million tonnes in 2005.

In support of this, the total allocation of the various public agencies involved in agricultural development during the Eighth Plan is RM7.9 billion representing 7.1% of the total Eight Plan allocation of RM110 billion. Out of this, a total of RM127.5 million is allocated for the livestock subsectors.

(Source: Eighth Malaysian Plan 2001-2005)

Efforts will be undertaken to ensure adequate supply of poultry and eggs for the domestic market and to capitalise on export markets, including to develop Malaysia’s potential as an International Halal Food Hub. Capability for inspection, monitoring, standardization and certification for Malaysia Halal Standard for livestock products and industrial livestock-based inputs will be strengthened and this standard will be internationally promoted. The international marketing of branded halal livestock products and industrial livestock-based inputs will be undertaken.

(Source: Third National Agricultural Policy 1998-2010)

4.6.3 The Feedmilling Industry

The feedmilling industry that manufactures compound feed is generally regarded as a well established one and has grown rapidly since the early fifties. The local feedmilling industry is mainly made up of small scale feed manufacturers who are dwarfed by the key players in the industry. The management of Emivest estimates that there are about 23 sizeable feedmillers (excluding hundreds of small feedmillers and on-farm self mixers) in Peninsular Malaysia in year 2000 and their total monthly feed production amounted to approximately 185,000 MT. Market dominance has provided these key players with considerable control over the market supply and price. Further, the Malaysian Feedmillers Association (“MFMA”), formed in 1970, plays a significant role in protecting the well being of the local feemillers. With membership strength of approximately 14 members, which the management of the Emivest Group believes constitutes about 94% of the turnover for the feedmilling industry, the MFMA represents a trade association where members meet to discuss, among other matters, price adjustments in response to any fluctuations in the cost of raw materials.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

The growth in the feedmilling industry very much parallels the growth in the livestock industry. In view of the encouraging growth in the livestock industry, particularly in poultry farming, the management of Emivest is confident that the feedmilling industry will expand further in the future.

(Source: the management of Gymtech)

4.6.4 The Duck Breeding Industry

The management of Emivest believes that the local duck breeding industry has all the necessary ingredients for a promising future ahead. Demand for duck meat in Malaysia has grown steadily in light of its increasing popularity among Malaysians as an alternative source of animal protein. Although at present, the local demand for duck meat is still partly met by imports, encouraging developments currently taking place in the duck breeding industry strongly indicates that Malaysia may become self-sufficient sooner than anticipated. The duck production efficiency is expected to continuously increase over the next few years with the introduction of genetic materials, improved nutrition and feeding, better husbandry and lower mortality rate. In 2000, the annual production of DODs in Peninsular stood at around 23.19 million ducklings while production of broiler ducks amounts to 21.69 million ducks. In 2001, the VSD estimated that the production of DODs and ducks would be 22.42 million ducklings and 22.16 million ducks respectively.

(Source: the management of Sri Medan)

4.6.5 Future Plans of the Group

The Group's present feedmilling operation is currently concentrated in the southern region of the Peninsular Malaysia, i.e. Johor, Negeri Sembilan and Melaka. With the completion of acquisition of Ideal, the Group intends to capitalise the expansion in its production capacity to penetrate the northern markets and increase its market share. Approximately RM3.3 million of the proceeds raised from the floatation exercise will be utilised by the Company as working capital for this purpose.

Although the Group's feedmilling operation currently produces an extensive range of feed for various livestock, the Group strives to further diversify its product range. The Group has identified opportunities in the aquaculture industry and expects the production of feed to cater for this industry will generate a lucrative income for the Group. Production is targeted to commence by mid of year 2003.

The Group is also exploring the possibility of venturing into the production of vitamins and mineral premix additive as raw materials for feed. The production of the feed ingredients will not only lower the cost of feed production for Gymtech, it will also ensure consistency in the supply and quality of these ingredients. Further, the production of the feed ingredients is expected to make an initial contribution of about RM4 million to the annual turnover of the Group as the Group aims to market about 20% of what it produces to other feedmillers. Emivest aims to commence production by mid of year 2003.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

Sri Medan intends to implement a contract farming scheme by end of year 2004, whereby it supplies the contract farmers with ducklings, vaccines, medicines and technical know-how with a guarantee to buy back the matured ducks from these farmers at an agreed price. The directors of Emivest opine that this will be a profitable venture as it enables Sri Medan to expand its turnover at a relatively lower cost.

4.7 Major Customers

The major customers of the Emivest Group as at 30 June 2001 (based on the latest audited accounts of the Group) are as follows:-

Customers	Length of relationship Years	Details
<i>(>10%)</i> LHHB and its subsidiaries	10	Feed
<i>(>5-10%)</i> Teratai Agriculture Sdn Bhd	10	Feed
<i>(<5%)</i> Chop Hong Leong	7	Feed
Moh Kee Hatchery	5	Feed
Lega Jati Sdn Bhd	4	Feed
Sri Ternak Wilayah Sdn Bhd	4	Feed
LTM	4	Feed
Syarikat Leong Seng	6	Feed
Tong Ming Poultry	6	Feed

The Emivest Group is not overly dependent on any of the major customers for its business as it has a large clientele base.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

4.8 Major Suppliers

The major suppliers of the Emivest Group as at 30 June 2001 (based on the latest audited accounts of the Group) are as follows:-

Suppliers	Length of relationship Years	Details
<i>(>10%)</i>		
Soon Soon Oilmills Sdn Bhd	3	Feed ingredients
Ghee Huat Co Pte Ltd	10	Feed ingredients
<i>(>5-10%)</i>		
Hoe Seng Chan Co Sdn Bhd	9	Feed ingredients
Heilong Jiang Trading (M) Sdn Bhd	4	Feed ingredients
<i>(<5%)</i>		
QL Feedingstuffs Sdn Bhd	9	Feed ingredients
Johor Bahru Flour Mill Sdn Bhd	9	Feed ingredients
Melaka Tong Bee Sdn Bhd	9	Feed ingredients
International Protein Corporation	5	Feed ingredients
Rhodia Malaysia SdnBhd/	10	Feed ingredients
Aventis Animal Nurtition Asia Pacific Pte Ltd		
Age D'or Chemicals Sdn Bhd	10	Feed ingredients
Cargill Malaysia Sdn Bhd	5	Feed ingredients

The Emivest Group is not dependent on any of the major suppliers for its business as it has a wide network of suppliers.

4.9 Approvals, Major Licenses And Permits

The principal licenses granted by the MITI for the feedmilling activities of the Emivest Group are as follows:-

Company	Date of Issue	Expiry Date	Type	Equity Conditions
Gymtech	12.11.1991	None	Manufacturing	None.
Ideal	02.03.1981	None	Manufacturing	At least 86% of Ideal's shares shall be subscribed by Malaysian citizens, including at least 30% to be reserved and the MITI must be consulted before the allotment of the reserved shares. ¹

Note:-

- The MITI, in approving the Acquisition of Ideal, has imposed in their letter dated 18 December 2000 that this equity condition must be complied within 2 years from the date of the said letter. Ideal has yet to comply with this condition.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

4.10 Related Party Transactions/Conflict of Interest

4.10.1 Transactions between the Emivest Group and its Directors/Substantial Shareholders

The Emivest Group has ongoing trade transactions with companies in which the promoters, directors and/or substantial shareholders of Emivest are substantial shareholders and/or directors. Details of the related party transactions are as follows:-

Related party	Nature of transaction	Interested promoter/director/substantial shareholder	Transactions value for 6 months ended 30 June 2001 RM'000
LHHB and its subsidiaries	<ul style="list-style-type: none"> ➤ Sale of feed ➤ Sale of raw materials ➤ Purchase of feed additives and medicines 	Lau Brothers, Mega Perfect and Datuk Esa Bin Ahmad	35,298 1,038 200
Teratai Agriculture Sdn Bhd ("TASB")	➤ Sale of feed	Lau Brothers and Mega Perfect	13,309
LTM	➤ Sale of feed	Amnah Bte Ibrahim, Rahmat Bin Ibrahim and Tan Sri Dato' Ahmad Sabki Bin Jahidin	2,447
Safari Wonderland Sdn Bhd ("SWSB")	➤ Sale of DODs	Lau Brothers and Mega Perfect	15
Leong Hup Industries Sdn Bhd ("LHISB")	➤ Purchase of raw materials	Lau Brothers, Mega Perfect, Amnah Bte Ibrahim, Rahmat Bin Ibrahim and Datuk Esa Bin Ahmad	23

The interests of the promoters, directors and substantial shareholders of Emivest in the aforesaid transactions as at the date of this Prospectus are as follows:-

Interested promoter/director/substantial shareholder of Emivest	Nature of interest
Datuk Lau Chong Wang	Directors of LHHB and Leong Hup Management Sdn Bhd ("LHMSB") Substantial shareholders of LHHB, LHMSB, TASB and LHISB Brother of Lau Bong Wong, Lau Chia Nguang, Datuk Lau Chir Nguan, Dato' Lau Eng Guang, Lau Hai Nguan and Datuk Lau Tuang Nguang

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

Interested promoter/director/substantial shareholder of Emivest	Nature of interest
Lau Bong Wong	Directors of LHHB, LHSB, LHMSB and TASB Substantial shareholders of LHHB, LHMSB, TASB and LHSB Brother of Datuk Lau Chong Wang, Lau Chia Nguang, Datuk Lau Chir Nguan, Dato' Lau Eng Guang, Lau Hai Nguan and Datuk Lau Tuang Nguang
Lau Chia Nguang	Directors of LHMSB Substantial shareholders of LHMSB, TASB and LHSB Brother of Datuk Lau Chong Wang, Lau Bong Wong, Datuk Lau Chir Nguan, Dato' Lau Eng Guang, Lau Hai Nguan and Datuk Lau Tuang Nguang
Datuk Lau Chir Nguan	Directors of LHMSB, TASB and LHSB Substantial shareholders of LHMSB, TASB and SWSB and LHSB Brother of Datuk Lau Chong Wang, Lau Bong Wong, Lau Chia Nguang, Dato' Lau Eng Guang, Lau Hai Nguan and Datuk Lau Tuang Nguang
Dato' Lau Eng Guang	Directors of LHHB and LHMSB Substantial shareholders of LHHB, LHMSB, TASB and LHSB Brother of Datuk Lau Chong Wang, Lau Bong Wong, Lau Chia Nguang, Datuk Lau Chir Nguan, Lau Hai Nguan and Datuk Lau Tuang Nguang
Lau Hai Nguan	Directors of LHMSB and TASB Substantial shareholders of LHMSB, TASB and LHSB Brother of Datuk Lau Chong Wang, Lau Bong Wong, Lau Chia Nguang, Datuk Lau Chir Nguan, Dato' Lau Eng Guang and Datuk Lau Tuang Nguang
Datuk Lau Tuang Nguang	Directors of LHHB and LHSB Substantial shareholders of TASB and LHSB Brother of Datuk Lau Chong Wang, Lau Bong Wong, Lau Chia Nguang, Datuk Lau Chir Nguan, Dato' Lau Eng Guang and Lau Hai Nguan
Mega Perfect	The Lau Brothers will be substantial shareholders in Mega Perfect upon the completion of the IPO
Amnah Bte Ibrahim	Directors and substantial shareholders of LTM and LHSB
Rahmat Bin Ibrahim	Director of LTM Substantial shareholders of LTM and LHSB
Tan Sri Dato' Ahmad Sabki Bin Jahidin	Substantial shareholder of LTM
Datuk Esa Bin Ahmad	Director of LHHB Director and substantial shareholder of LHSB

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

The transactions with the Related Parties are of revenue or trading nature, which are required for the Emivest Group's day-to-day operation. The directors of the Emivest confirm that the Emivest Group will continue to transact the Recurrent Related Party Transactions at arm's length, on the Emivest Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

To ensure the continuation of such transactions, the shareholders have granted to the directors of Emivest by way of written resolutions passed on 30 November 2001, the shareholders' mandate for the Emivest Group to enter into the abovementioned transactions. Further details of the shareholders' mandate are set out in Section 4.10.2 below.

4.10.2 Shareholders' Mandate for Recurrent Related Party Transactions**(i) Shareholders' Mandate**

As disclosed under Section 4.10.1 above, the Company anticipates that the Emivest Group would, in the normal course of business, enter into recurrent related party transactions of revenue or trading nature.

Pursuant to Chapter 10.09 of the Listing Requirements, a listed company may seek a mandate from its shareholders for recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations. The directors of Emivest have obtained a mandate from its shareholders on 30 November 2001, permitting Emivest and its subsidiaries to enter into transactions as described in Section 4.10.1 above, provided that such transactions are made at arm's length and on normal commercial terms.

The Shareholders' Mandate takes effect from 30 November 2001 until the next Annual General Meeting of the Company. Thereafter, approval from the shareholders of the Company for a renewal of the shareholders' mandate will be sought at each Annual General Meeting of the Company.

Transactions which do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of the Listing Requirements.

(ii) Review Procedures for the Recurrent Related Party Transactions

The Emivest Group has internal control systems to ensure that the Recurrent Related Party Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with Emivest's usual business practices and policies, which are no more favourable to the Related Parties than those extended to the public. These include transacting at the prevailing market prices of the products on the product provider's usual commercial terms (including where appropriate, preferential rates and discounts accorded for bulk purchases which are the same as those accorded to third-party bulk purchases), or otherwise in accordance with applicable industry norms.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

A record is maintained by the Company to record all Recurrent Related Party Transactions (and the basis of the Recurrent Related Party Transactions, including the quotations obtained to support such basis, on which they are entered into) which are entered into pursuant to the Shareholders' Mandate.

The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Shareholders' Mandate. The Audit Committee of the Company shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor the Recurrent Related Party Transactions have been complied with. If the Audit Committee is of the view that such guidelines and procedures are insufficient, it will take such action as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature do meet such objectives and in such case the Company will revert to the shareholders for a fresh mandate based for dealing with such Related Parties.

(iii) ***Rationale for and Benefits of Recurrent Related Party Transactions***

The Recurrent Related Party Transactions are carried out in the ordinary course of business on arm's length and on normal commercial terms which are not prejudicial to minority shareholders. The Recurrent Related Party Transactions entered into are intended to meet the business needs of the Emivest Group at the best possible terms. The Emivest Group has long-standing business relationships with the Related Parties and the close co-operation has yield mutual benefits which is expected to continue to be beneficial to the businesses of the Group.

The grant of the Shareholders' Mandate and its renewal (with or without modification) on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential related party transactions arise, thereby reducing substantial administrative time and expenses in convening such meeting, without comprising the corporate objectives and adversely affecting the business opportunities available to the Group.

(vi) ***Disclosure of Recurrent Related Party Transactions***

Disclosure will be made in the annual report of the Company of the aggregate value of the transactions conducted pursuant to the Shareholders' Mandate during the financial year, and in the annual reports for the subsequent financial years during which the Shareholders' Mandate is in force. Any related party transactions which are not on arm's length basis will also be disclosed in the Company's annual report.

4. INFORMATION ON THE EMIVEST GROUP (Cont'd)

4.10.3 Promotions of any assets acquired/to be acquired within two (2) years preceding the date of this Prospectus

Save for the Acquisitions as disclosed in Section 4.3, no other promoters, directors or substantial shareholders of Emivest have any interest, direct or indirect, in the promotion of or in any assets which have, within the two (2) preceding years of the date of this Prospectus been acquired or disposed of by or leased to the Company or its subsidiaries, or are proposed to be acquired, disposed of by or leased to the Company or its subsidiaries or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company or its subsidiaries.

4.10.4 Interest in Similar Business

Save as disclosed hereunder, none of the promoters, directors or substantial shareholders of the Company has any interests, direct or indirect, in other businesses and corporations carrying on a similar trade as the Company or its subsidiaries.

Name	Company	Nature of Business	Nature of Interest
(1) Datuk Lau Chong Wang	Teo Seng Feedmill Sdn	Manufacturing and	Directors and/or
(2) Lau Bong Wong	Bhd	marketing of animal	substantial shareholders
(3) Lau Chia Nguang	(51% sub-subsidiary of	feed	of LHHB and persons
(4) Datuk Lau Chir Nguan	LHHB)		connected to such
(5) Dato' Lau Eng Guang			directors and substantial
(6) Lau Hai Nguan			shareholders
(4) Datuk Lau Tuang Nguang			

The feed manufactured by Teo Seng Feedmill Sdn Bhd caters for in-house feed requirement of Teo Seng Farming Sdn Bhd, which is a subsidiary of LHHB and thus does not give rise to any material conflict of interest to the Emivest Group's feedmilling business.

4.10.5 Declarations by the Advisers

Arab-Malaysian hereby declares that there is no conflict of interest with respect of their capacity as Advisor to the Emivest Group for the IPO.

Messrs. Jeff Leong, Poon & Wong hereby confirms that there is no conflict of interest with respect of their capacity as Solicitors to the Emivest Group for the IPO.

Messrs. Deloitte Touche Tohmatsu hereby confirms that there is no conflict of interest with respect of their capacity as Auditors and Reporting Accountants to the Emivest Group for the IPO.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.1 Promoters

The promoters of Emivest are the Lau Brothers. Their shareholdings in Emivest upon the completion of the IPO are as follows:-

Name	Nationality	←-----After the IPO -----→			
		No. of Shares held		No. of Shares held	
		Direct	Indirect		%
Datuk Lau Chong Wang	Malaysian	-	-	8,000,000 ¹	20.00
Lau Bong Wong	Malaysian	-	-	8,000,000 ¹	20.00
Lau Chia Nguang	Malaysian	-	-	-	-
Datuk Lau Chir Nguan	Malaysian	-	-	-	-
Dato' Lau Eng Guang	Malaysian	-	-	-	-
Lau Hai Nguan	Malaysian	-	-	-	-
Datuk Lau Tuang Nguang	Malaysian	-	-	-	-

Note:-

1. By virtue of their interests in LHHB.

The Lau Brothers will be substantial shareholders of Mega Perfect upon the completion of the IPO. Mega Perfect will in turn hold a 33.07% equity interest in Emivest upon the completion of the IPO. The respective shareholdings of the Lau Brothers in Mega Perfect upon the completion of the IPO are as follows:-

Lau Brothers	% equity interest in Mega Perfect
Datuk Lau Chong Wang	14.48
Lau Bong Wong	14.47
Lau Chia Nguang	14.21
Datuk Lau Chir Nguan	14.21
Dato' Lau Eng Guang	14.21
Lau Hai Nguan	14.21
Datuk Lau Tuang Nguang	14.21
Total	100.00

Detailed information on Lau Bong Wong and Lau Chia Nguang are set out in Section 5.4 below. Datuk Lau Chong Wang, Dato' Lau Eng Guang, Lau Hai Nguan and Datuk Lau Tuang Nguang have more than 20 years of experience in the livestock industry while Lau Chir Nguan have 10 years of experience in the livestock and feedmilling industries.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

The promoters' directorships and substantial shareholdings in other public corporations for the past two (2) years from the date of this Prospectus are as stated below.

Promoter/Company	% Equity holding		Position held
	Direct	Indirect	
<u>Datuk Lau Chong Wang</u>			
LHHB	0.02	43.95 ¹	Chairman & Managing Director
A'Famosa Golf Resort Berhad	7.14	-	Director
<u>Lau Bong Wong</u>			
LHHB	0.23	43.95 ¹	Director
A'Famosa Golf Resort Berhad	7.14	-	Director
<u>Lau Chia Nguang</u>			
A'Famosa Golf Resort Berhad	7.14	-	-
<u>Datuk Lau Chir Nguan</u>			
A'Famosa Golf Resort Berhad	7.04	-	Managing Director
<u>Dato' Lau Eng Guang</u>			
LHHB	5.42	-	Executive Director
A'Famosa Golf Resort Berhad	7.14	-	Director
Bina Darulman Berhad	-	-	- ²
<u>Lau Hai Nguan</u>			
A'Famosa Golf Resort Berhad	7.14	-	-
<u>Datuk Lau Tuang Nguang</u>			
LHHB	3.25	-	Executive Director
A'Famosa Golf Resort Berhad	7.14	-	Director

Notes:-

1. By virtue of their interests in Leong Hup Management Sdn Bhd.
2. Resigned as a Director on 25 June 2001.

Save as disclosed above, the promoters do not have any directorships and substantial shareholdings in other public corporations for the past two (2) years from the date of this Prospectus.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.2 Substantial Shareholders

The substantial shareholders (with 5% or more shareholding, directly or indirectly) of Emivest upon the completion of the IPO are as follows:-

Name	Nationality/ Country of Incorporation	←-----After the IPO -----→			
		No. of Shares held		%	
		Direct	Indirect		
Datuk Lau Chong Wang	Malaysian	-	-	8,000,000 ¹	20.00
Lau Bong Wong	Malaysian	-	-	8,000,000 ¹	20.00
Tan Sri Dato' Ahmad Sabki Bin Jahidin	Malaysian	2,322,470	5.81	-	-
Rahmat Bin Ibrahim	Malaysian	2,322,470	5.81	-	-
Mega Perfect	Malaysia	13,228,036	33.07	-	-
LHHB	Malaysia	8,000,000 ²	20.00	-	-

Notes :-

1. By virtue of their interests in LHHB.
2. The shareholders of LHHB have approved the acquisition of the rights to allotment of 8,000,000 Shares by LHHB on 28 November 2001.

Details on Mega Perfect are stated in Section 4.3.5 of this Prospectus.

LHHB is an investment holding company listed on the Main Board of the KLSE. The Directors of LHHB are Datuk Lau Chong Wang, Lau Bong Wong, Dato' Lau Eng Guang, Datuk Lau Tuang Nguang, Datuk Paduka Hajjah Saleha Bte Mohamad Ali, Major General (Rtd) Datuk Haji Esa Bin Ahmad and Mr Lim Meng Bin. LHHB has an authorised share capital of RM300,000,000 comprising RM300,000,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM151,568,400 comprising 151,568,400 ordinary shares of RM1.00 each as at 30 November 2001.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Tan Sri Dato' Ahmad Sabki Bin Jahidin's directorships and substantial shareholdings in other public corporations for the past two (2) years from the date of this Prospectus are disclosed below:-

Company	% Equity holding		Position held
	Direct	Indirect	
Nanyang Press (M) Berhad	-	-	Director
Apollo Food Holdings Berhad	-	-	Director
Zaiton Berhad	-	-	Director
Cygal Berhad	-	-	Director
Paramount Corporation Berhad	-	-	Director
Hwang DBS (Malaysian) Berhad	-	-	Director
Gula Perak Berhad	-	-	Director

Save for the Lau Brothers (details are disclosed in Section 5.1) and Tan Sri Dato' Ahmad Sabki Bin Jahidin, other substantial shareholders do not have any directorships and substantial shareholdings in other public corporations for the past two (2) years from the date of this Prospectus.

5.3 Changes in Promoters/Substantial Shareholders

Save as disclosed in this Prospectus, there has been no change in the promoters/substantial shareholders of Emivest for the past three (3) financial years ended 31 December 2000 and for the six (6) months period ended 30 June 2001.

5.4 Board Of Directors

The directors' shareholdings in Emivest upon the completion of the IPO are as follows:-

Name	←-----After the IPO -----→			
	No. of Shares held		%	
	Direct	Indirect		
Lau Bong Wong	-	-	8,000,000 ¹	20.00
Lau Chia Nguang	-	-	-	-
Sim Kim Hwa	-	-	-	-
Zabidi Bin Md Zain	-	-	-	-
Koh Low @ Koh Kim Toon	-	-	-	-

Note:-

1. By virtue of his interest in LHHB.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Profiles of the directors are as follows:-

Lau Bong Wong, aged 58, was appointed to the Board on 28 August 2001. He is the founder of Gymtech and is currently the Chairman and Managing Director of both Gymtech and Sri Medan. He is responsible for the overall business direction, strategy planning and operations of Gymtech. Under his management, the Gymtech Group has emerged as one of a key player to steer the Malaysian livestock industry. He also sits on the board of several private companies.

Lau Bong Wong's substantial shareholdings and directorships in other public corporations for the past 2 years from the date of the Prospectus are stated in Section 5.1 above.

Lau Chia Nguang, aged 49, was appointed to the Board on 28 August 2001. He was involved in Sri Medan since its inception in 1989. He has more than 20 years of experience in planning, developing and implementing marketing plans and strategies and is responsible in overseeing the overall marketing and business plans and operations of Sri Medan. Presently, he holds directorships in several private limited companies.

His substantial shareholdings and directorships in other public corporations for the past 2 years from the date of the Prospectus are stated in Section 5.1 above.

Sim Kim Hwa, aged 48, was appointed to the Board on 28 August 2001. He joined Gymtech in November 1992 as the Deputy General Manager cum Nutritionist. He heads the overall operations of the feedmill, overseeing and co-ordinating the functions of the various departments. In addition, he is also responsible for computing and producing feeds based on least cost formulation. He graduated from the National Taiwan University with a Bachelor of Science degree in Animal Husbandry in 1977 and started his career as Farm Manager of Kan Gerb Pig Farm, Selangor. He later joined Lian Aik Pig Farm, Selangor for 2 years before moving to Ideal as Technical Service Executive. He was then promoted as Nutritionist, formulating feeds of major customers like Leong Hup Poultry Farm Sdn Bhd and Teratai Agriculture Sdn Bhd. After serving 9 years in Ideal, he joined Sin Mah Multifeed Berhad as a Nutritionist in 1991. With more than 20 years of experience in the livestock industry, he has transformed Gymtech into one of the largest feedmilling operations in the country.

Sim Kim Hwa does not have any substantial shareholding and directorship in other public corporations for the past 2 years from the date of the Prospectus.

Zabidi Bin Md Zain, aged 45, was appointed to the Board on 28 August 2001. He obtained a Bachelor of Accountancy degree from University of Ulster, Belfast, Northern Ireland in 1979 and subsequently qualified as a certified accountant in 1983. He is a Fellow of the Association of Certified Accountants. From 1984 to 1988, he was a director of several family-owned companies that were involved in property development and contracting. Between 1988 and 1997, he became a shareholder and director of Smith Zain Securities Sdn Bhd, a member company of KLSE. He is presently involved in several private and public companies, both Malaysian and foreign companies, in the fields of manufacturing, contracting and development of technology in areas of education and health services.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT
(Cont'd)

Save for his current directorship and shareholding of 30% interest in Yi-Lai Industry Bhd, Zabidi Bin Md Zain does not have any substantial shareholding and directorship in other public corporations for the past 2 years from the date of the Prospectus.

Koh Low @ Koh Kim Toon, aged 49 was appointed to the Board on 28 August 2001. He has vast experience of over 20 years in the fields of manufacturing and marketing. He is presently actively involved in searching of new products either from overseas or local market. He also holds directorships in several private companies.

Koh Low @ Koh Kim Toon does not have any substantial shareholding and directorship in other public corporations for the past 2 years from the Prospectus.

5.5 Key Management Team

Lee Lai Hock, aged 37, joined Gymtech as the Accountant in August 1994. He holds a professional degree from the Chartered Institute of Management Accountants. He is a registered accountant with 9 years of experience and previously served in Advance Packaging Technology (M) Sdn Bhd and Hume Quarries Sdn Bhd (a member of the Hong Leong Group) handling audit, tax, administration, costing and finance management. Presently, he oversees the finance management, budget planning, preparation of management accounts & financial reports, costing, internal and credit controls. He is also responsible for data processing and management information functions of the company.

Dr Jayasankar A/L T.Sankaran, aged 48, joined Gymtech as the Technical Service Manager in May 1993. He graduated in 1978 with a Bachelor of Veterinary Science Degree from Madras, India. A registered veterinarian under Section 17 (6) of the Veterinary Surgeons' Act, 1974, he commenced his career with Sin Heng Chan (M) Bhd in 1979. In 1984, he was promoted as Chief Veterinarian for the Sin Heng Chan Group of Companies covering Malaysia, Singapore, Indonesia and Brunei. In heading the Technical Service Department, he is responsible for co-ordinating and motivating the technical team in addition to developing new strategies to augment feed sales through strong and effective support services.

Dr Dzulkafli Bin Mohd Jantan, aged 42, joined Gymtech as the Product Development Manager in March 1994. He is responsible for assisting the Technical Service Manager in all technical matters as well as in planning and implementing effective technical service procedures for his subordinates. Dr Dzulkafli Bin Mohd Jantan, who graduated in 1984 with a Degree in Veterinary Medicine from University Pertanian Malaysia, is a registered veterinarian under Section 17 (6) of the Veterinary Surgeons' Act, 1974. Prior this, he worked as a service veterinarian in Sin Heng Chan (M) Bhd for 10 years where he gained his field experience and developed customer relations.

Lim Keng Tong, aged 48, joined Gymtech as the Sales Manager in September 1994. With more than 22 years of sales experience to his credit, his primary objective is to develop and expand the company's sales. Prior to this, he started with Sin Mah Multifeed Berhad as a Sales Representative in 1975 and was promoted as Sales Executive in 1978. He joined the erstwhile Thong Yik Animal Feedmill in 1985 as Sales Supervisor. With the inception of Cargill Feedmill, he assumed the position of Field Manager taking charge of feed sales in the central, southern and east coast states. With his sales background and good customer relationship, Gymtech's quest for expansion of its feed sales can be further realised.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Lim Soo Pin, aged 44, joined Gymtech in 1991 and is currently the Factory Manager. He started as a Senior Production Supervisor and was later promoted as Production Executive. Prior to joining Gymtech, he was attached to Sin Mah Multifeed Berhad as a Mill Operator in 1978 and later as Machinery Supervisor for 10 years. He joined Ideal in 1989 as Machinery Supervisor responsible for upgrading mill equipments to enhance feed production. With 20 years of experience in feed production, his primary responsibility in Gymtech is to manage the day-to-day production operations, manpower recruitment and training, production scheduling and factory maintenance.

Dr Ramanathan A/L Muniandy, aged 49, is a veterinarian registered with the Malaysian Veterinary Council. He has more than 20 years of experience in the livestock division. In 1989, he joined Teratai Agriculture Sdn Bhd as a veterinarian and with the inception of Sri Medan, he was one of the veterinarians in the duck division. He was subsequently promoted to his present position of Assistant General Manager (Breeder). He is now fully in-charge of the Breeder Division. He has attended various courses in countries like United Kingdom, Holland, Germany and United States of America.

Chong Boon Long, age 30, completed Sijil Tinggi Pelajaran Malaysia and joined Sri Medan in 1991 as Chief Supervisor and subsequently was promoted to Hatchery Manager in 1997. He had undergone training programme in United Kingdom to keep abreast with the latest technology in the hatchery industry. Presently, he is responsible for overseeing the daily operations of the hatcheries.

Bong Kok Lee, aged 36, joined Sri Medan in 1998 as Farm Manager and is now the Senior Unit Manager of Sri Medan in the division of breeder farming. He has attended various courses in the United Kingdom to acquire the latest technology to apply in farms.

5.6 Audit Committee

The Audit Committee which was set up on 28 August 2001 comprises the following Board members:-

Name	Designation	Directorship
Zabidi Bin Md Zain	Chairman	Independent Non-executive Director
Sim Kim Hwa	Member	Executive Director
Koh Low @ Koh Kim Toon	Member	Independent Non-executive Director

The main function of the Audit Committee includes the review of the audit plan and audit report with the Auditors, evaluation of internal accounting controls, review of the scope of internal audit procedures, review of balance sheet and profit and loss account and nomination of Auditors.

**5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT
(Cont'd)**

5.7 *Family Relationships*

Datuk Lau Chong Wang, Lau Bong Wong, Lau Chia Nguang, Datuk Lau Chir Nguan, Dato' Lau Eng Guang, Lau Hai Nguan and Datuk Lau Tuang Nguang are brothers. Save from this, there is no family relationship between the promoters, substantial shareholders, directors and key management of the Emivest Group.

6. LANDED PROPERTIES OF THE EMIVEST GROUP

6.1 Landed Properties

A summary of the landed properties of the Emivest Group is set out below:-

Particulars of property / location	Description and existing use	Age of building Years	Tenure	Land area Sq ft	Net book value as at 30.06.01 RM'000
<i>Registered under the following companies:-</i>					
<i>Gymtech</i>					
Lot PT No. 496 Bukit Rambai Industrial Estate, Melaka	Feedmilling Plant	10	Leasehold 99 yrs (expiring 09.06.2082)	154,594	4,631
<i>Ideal</i>					
HS(D) 18407 P.T.248 Mukim of Tangga Batu District of Melaka Tengah Melaka	Industrial Land	-	Leasehold 99 yrs (expiring 02.07.2080)	259,517	7,888
<i>Sri Medan</i>					
Lot No.4634 Mukim Sri Medan 18 Batu Pahat, Johor	Duck breeding farm	9	Freehold	217,800	464
Lot No.6014 Mukim Sri Medan 18 Batu Pahat, Johor	Duck breeding farm	9	Freehold	408,593	676
Lot No.6409 Mukim Sri Medan 18 Batu Pahat, Johor	Duck breeding farm	9	Freehold	473,443	748
Lot 4669 Mukim Jorak Muar, Johor	Duck breeding farm	10	Freehold	258,638	498
Lot MLO5322, MLO 5323 & Lot No. 5465 Mukim Jorak Muar, Johor	Duck hatchery	9	Freehold	878,560	1,478

6. LANDED PROPERTIES OF THE EMIVEST GROUP (Cont'd)

Particulars of property / location	Description and existing use	Age of building Years	Tenure	Land area Sq ft	Net book value as at 30.06.01 RM'000
GM79 Lot 902 Mukim of Cha'ah Bahru XVII District of Batu Pahat Johor	Agriculture/Vacant	-	Freehold	426,071	274
GM 298, Lot 3912 Mukim of Cha'ah Bahru XVII District of Batu Pahat Johor	Agriculture/Vacant	-	Freehold	254,282	175
Sub-Total					16,832
<u>Pending issuance of land title:-</u>					
Lot 16, Section 4 Phase 2A, Pulau Indah Industrial Park West Port Selangor	Industrial land/Vacant	-	Leasehold 99 yrs	144,619	2,748
Lot 28, Section 4 Phase 2A, Pulau Indah Industrial Park West Port Selangor	Industrial land/Vacant	-	Leasehold 99 yrs	124,582	2,367
Geran No. Pendaftaran 27635, Lot 355 Mukim Tangkak Daerah Muar Johor	Vacant	-	Freehold	610,657	490
Sub-total					5,605
<u>Properties not yet taken up as fixed assets:-</u>					
<u>Kayangan Runding</u>					
Lot E3 & E4, Mukim of Lumut District of Manjung Perak	Industrial land/Vacant	-	Leasehold 99 yrs (expiring 21.12.2094)	450,410	2,590
Sub-total					2,590
Total					25,027

7. FINANCIAL INFORMATION

7.1 Consolidated Income Statements

The following table sets out a summary of the proforma audited consolidated income statements of Emivest for the past five (5) financial years ended 31 December 1996 to 2000 and for the six (6) months period ended 30 June 2001, based on Gymtech's audited consolidated accounts for the past five (5) financial years ended 31 December 1996 to 2000 and for the six (6) months period ended 30 June 2001 and Sri Medan's audited accounts for the six (6) financial years ended 30 April 1996 to 2001, for the eight (8) months period ended 31 December 1996 to 2000 and for the two (2) months period ended 30 June 2001.

Financial year ended 31 December	←----- Audited -----→					
	1996	1997	1998	1999	2000	6 months ended 30 June 2001
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	132,191	146,184	181,949	155,658	176,200	102,611
EBIDTA	13,147	14,300	15,508	14,420	14,311	9,033
Interest income	370	755	275	101	85	33
Finance costs	(2,731)	(3,590)	(4,730)	(2,546)	(1,974)	(1,670)
Depreciation	(1,767)	(2,018)	(2,106)	(2,071)	(2,043)	(1,381)
Amortisation of goodwill	-	-	-	-	-	(80)
Share of profit of associated company	-	-	202	271	139	157
PBT	9,019	9,447	9,149	10,175	10,518	6,092
Taxation	(1,952)	(1,645)	(2,796)	(426)	(2,724)	(1,683)
Profit after taxation before MI	7,067	7,802	6,353	9,749	7,794	4,409
MI	-	-	-	-	-	(386)
PAT	7,067	7,802	6,353	9,749	7,794	4,023
No. of Shares ('000) *	34,000	34,000	34,000	34,000	34,000	34,000
Gross EPS (RM)	0.27	0.28	0.27	0.30	0.31	0.36**
Net EPS (RM)	0.21	0.23	0.19	0.29	0.23	0.24**
Dividend rate (%)	-	-	-	-	-	-

Notes:-

* Based on the Shares issued/to be issued pursuant to the Acquisitions.

** Annualised.

- The above results were arrived at after elimination of inter-company transactions and after adjustments as indicated in Section 6.1 of the Accountants' Report.
- Revenue increased in 1997 and 1998 due to the increase in production output and selling prices of feed, which was in line with the higher raw material prices. As a result, the Group registered a higher PBT in 1997. However, PBT in 1998 decreased, mainly due to increase in finance costs.
- The decrease in revenue in 1999 was due to lower selling prices of feeds. Revenue in 2000 increased due to increase in production output. In 1999 and 2000, PBT increased due to reduction in finance costs.
- The increase in the results for the six months period ended June 30, 2001, on an annualised basis, was mainly due to the inclusion of the results of Ideal from date of acquisition by Gymtech.
- There were no exceptional and extraordinary items in all the relevant periods under review.

Emivest and its subsidiaries' audited accounts for the relevant periods under review have not been subjected to any auditors' qualification.

7. FINANCIAL INFORMATION (Cont'd)

7.2 Working Capital, Borrowings, Contingent Liabilities and Capital Commitments
7.2.1 Working Capital

The Directors of Emivest are of the opinion that after taking into account the Group's cashflow position, banking facilities available and gross proceeds from the Rights Issue and Public Issue, the Group will have adequate working capital for its present and foreseeable requirements.

7.2.2 Borrowings

As at 30 November 2001 (being the last practicable date prior to the printing of this Prospectus), the total borrowings of the Emivest Group from financial institutions amounted to approximately RM72.5 million comprising term loans, overdraft and banker acceptance, all of which is short-term borrowings.

Saved as disclosed above, the Emivest Group has no loan capital outstanding or created but unissued, mortgages or charges.

7.2.3 Contingent Liabilities and Capital Commitments

As at 30 November 2001 (being the last practicable date prior to the registration of this Prospectus), the Directors are not aware of any contingent liabilities which, upon becoming enforceable, may have material impact on the profit or net assets value of the Group.

Capital commitment	RM'000
Extension of warehouse, additional silo and others at Gymtech's feedmill	270
Fabrication and installation of material storage tank at Gymtech's feedmill	168
Purchase of motor vehicle	65
Extension of raw material warehoused at Ideal's feedmill	151
Balance of payments for the acquisition of land at Lumut, Perak	130
	784

7. FINANCIAL INFORMATION (Cont'd)

7.3 **Consolidated Profit Estimate and Forecast of Emivest together with the Reporting Accountants' Letter thereon**
(Prepared for inclusion in the Prospectus)

Deloitte Touche Tohmatsu (AF 0834)
Chartered Accountants
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**Deloitte
Touche
Tohmatsu**

REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST
(Prepared for inclusion in the Prospectus)

December 4, 2001

The Board of Directors
Emivest Berhad
Lot 13A, Kawasan Perindustrian Bukit Rambai
75250 Melaka

Dear Sirs

**EMIVEST BERHAD
CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE YEARS ENDING
DECEMBER 31, 2001 AND 2002 RESPECTIVELY**

We have reviewed the accounting policies and calculations for the consolidated profit estimate and forecast of Emivest Berhad ("Emivest") and its subsidiary companies ("Emivest Group") for the years ending December 31, 2001 and 2002 respectively for which the Directors are solely responsible, as set out in the Prospectus in connection with the Public Issue of 6,000,000 new ordinary shares of RM1 each at an issue price of RM1.50 per share, and Offer for Sale of 2,016,575 ordinary shares and Rights to Allotment of 8,000,000 ordinary shares of RM1 each respectively, at an offer price of RM1.50 per share in Emivest, and the listing and quotation of its entire issued and paid-up capital on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the abovementioned consolidated profit estimate and forecast, insofar as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies normally adopted by Emivest Group.

Yours faithfully



DELOITTE TOUCHE TOHMATSU
AF 0834
Chartered Accountants



TAN THENG HOOI
1479/1/03(J)
Partner

7. FINANCIAL INFORMATION (Cont'd)

EMIVEST BERHAD
CONSOLIDATED PROFIT ESTIMATE AND FORECAST, AND ASSUMPTIONS

Baring unforeseen circumstances and on the bases and assumptions set out below, the Board of Directors and Promoters of Emivest Berhad estimate and forecast that the proforma consolidated profit estimate and consolidated profit forecast of Emivest Group for the years ending December 31, 2001 and 2002 respectively are as follows:

	Proforma Estimate 2001 RM'000	Forecast 2002 RM'000
Revenue	<u>257,602</u>	<u>265,466</u>
Profit before tax	11,447	12,563
Income tax expense	<u>(2,797)</u>	<u>(3,035)</u>
Net Profit after tax	8,650	9,528
Minority interests	<u>(920)</u>	<u>(1,027)</u>
Profit after tax and minority interests	<u>7,730*</u>	<u>8,501</u>
Number of shares in issue ('000)**	40,000	40,000
Gross earnings per share (RM)	0.29	0.31
Net earnings per share (RM)	0.19	0.21
Gross PE Multiple based on issue price of RM1.50 per share (times)	5.2	4.8
Net PE Multiple based on issue price of RM1.50 per share (times)	<u>7.9</u>	<u>7.1</u>

* The proforma consolidated profit estimate includes the pre-acquisition profit of the subsidiary companies for 2001 amounting to about RM3,913,000.

** Being the enlarged issued and paid-up share capital upon flotation.

The principal bases and assumptions upon which the consolidated profit estimate and profit forecast have been arrived at are as follows:

1. The prevailing economic and political environment in Malaysia and elsewhere will continue and will not have significant adverse effects on the Group's activities to be conducted at estimated and forecasted level.
2. There will be no material changes in present legislation and government regulations, and guidelines of regulatory authorities, which will significantly affect the Group's activities.

7. FINANCIAL INFORMATION (Cont'd)

3. There will not be any material fluctuation in inflation rates and exchange rates of foreign currencies against the Ringgit Malaysia.
4. Existing financing facilities will remain available and that the level of interest rates will not change materially from those presently prevailing. Additional financing facilities will be obtained at the present prevailing interest rates.
5. There will be no major industrial disputes or any abnormal factors which will adversely affect the Group's activities.
6. There will be no material acquisition or disposal of property, plant and equipment, and investments other than those budgeted.
7. There will be no significant changes in the accounting policies and management structure of adopted by the companies within the Group.
8. There will be no material changes in the Group's present demand and market condition of its products.
9. There will be no significant changes in the present principal activities of the Group.
10. There will be no significant changes in prices of raw materials, wages and costs of production and other related costs which will affect the Group's performance.
11. There will be no significant changes in the income tax rate, and it is assumed that the Group will continue to enjoy reinvestment allowance incentive.
12. The proforma consolidated profit estimate of Emivest Group for 2001 is prepared based on the assumption that the acquisitions of the following equity interests have been effected in January 2001:

Subsidiary companies	Interest Acquired	Place of Incorporation
Gymtech Feedmill (Malacca) Sdn. Bhd.	100%	Malaysia
Sri Medan Duck Farm Sdn. Bhd.	100%	Malaysia
Kayangan Runding Sdn. Bhd.*	100%	Malaysia
Ideal Multifeed (Malaysia) Sdn. Bhd.*	59.68%	Malaysia

* Investment held through Gymtech Feedmill (Malacca) Sdn. Bhd.

13. Proceeds from the public issue will be received in January 2002.

7. FINANCIAL INFORMATION (Cont'd)

7.4 Directors' Commentary on Achievability of Consolidated Profit Estimate and Forecast

The Board of Emivest confirms that the consolidated profit estimate and forecast of Emivest for the financial years ending 31 December 2001 and 2002 and the underlying bases and assumptions stated therein have been reviewed by the directors after due and careful enquiry, and that the directors, having taken into account the future prospects of the industry, the future plans of the Emivest Group and its level of gearing, liquidity and working capital requirements, are of the opinion that the profit estimate and forecast of the Emivest Group are achievable and the assumptions made are reasonable, barring unforeseen circumstances.

Nevertheless, in the light of the current economic environment in Malaysia, certain assumptions, including interest and exchange rates, may differ significantly from actual should the economic situation differ significantly from the date of this Prospectus and this may have a material impact on the Emivest Group's profit estimate and forecast.

7.5 Dividend Policy

It is a policy of the Board of Directors of Emivest in recommending dividends to allow the shareholders to participate in the profits of the Group as well as leaving adequate reserves for the future growth of the Group.

In view that the listing date of Emivest is expected to be in January 2002, the Company will not be declaring any dividend for the year ending 31 December 2001. The dividend forecast for year ending 31 December 2002 is as follows:-

Financial Year Ending 31 December	Forecast 2002 RM'000
Gross dividend per Share (%)	8.0
Net dividend per Share (%)	8.0
Net dividend yield based on issue price of RM1.50 per Share (%)	5.3
Net dividend cover (times)	2.6

Investors should note that the above dividend policy may vary depending on the financial performance and cashflow of the Group.

7. FINANCIAL INFORMATION (Cont'd)

7.3 *Consolidated Profit Estimate and Forecast of Emivest together with the Reporting Accountants' Letter thereon*

(Prepared for inclusion in the Prospectus)

Deloitte Touche Tohmatsu (AF 0834)
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**Deloitte
Touche
Tohmatsu**

REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in the Prospectus)

December 4, 2001

The Board of Directors
Emivest Berhad
Lot 13A, Kawasan Perindustrian Bukit Rambai
75250 Melaka

Dear Sirs

**EMIVEST BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2001**

We have reviewed the Proforma Consolidated Balance Sheets of Emivest Berhad ("Emivest") and its subsidiary companies ("Emivest Group") as of June 30, 2001, together with the notes and assumptions thereto, for which the Directors are solely responsible, as set out in the Prospectus in connection with the Public Issue of 6,000,000 new ordinary shares of RM1 each at an issue price of RM1.50 per share, and Offer for Sale of 2,016,575 ordinary shares and Rights to Allotment of 8,000,000 ordinary shares of RM1 each respectively, at an offer price of RM1.50 per share in Emivest, and the listing and quotation of its entire issued and paid-up capital on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the Proforma Consolidated Balance Sheets together with the notes thereto, have been properly compiled on the basis set out in the notes thereto and are presented in a form suitable for inclusion in the Prospectus.

Yours faithfully



DELOITTE TOUCHE TOHMATSU
AF 0834
Chartered Accountants



TAN THENG HOOI
1479/1/03(J)
Partner

7. FINANCIAL INFORMATION (Cont'd)

EMIVEST BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2001
(Prepared for inclusion in the Prospectus)

The Proforma Consolidated Balance Sheets set out below are provided for illustrative purposes only to show the effect on the audited consolidated balance sheet of Emivest Group as of June 30, 2001:

ASSETS	Audited as of June 30, 2001 RM'000	Proforma 1 Upon Public Issue RM'000	Proforma 2 After Proforma 1 and Utilisation of Proceeds RM'000
Property, plant and equipment	32,330	32,330	32,330
Goodwill on consolidation	5,896	5,896	5,896
Investment in associated companies	2,165	2,165	2,165
Current Assets			
Inventories	10,529	10,529	10,529
Trade receivables	107,262	107,262	107,262
Other receivables, deposits and prepayments	12,127	12,127	12,127
Fixed deposits, cash and bank balances	6,941	14,841	7,141
	136,859	144,759	137,059
Current Liabilities			
Trade payables	32,101	32,101	32,101
Other payables and accruals	15,567	15,567	5,567
Hire-purchase creditors	182	182	182
Short-term borrowings	68,582	68,582	70,882
Tax liabilities	1,654	1,654	1,654
	118,086	118,086	110,386
Net Current Assets	18,773	26,673	26,673
Long-term and Deferred Liabilities			
Hire-purchase creditors	(142)	(142)	(142)
Deferred tax liabilities	(824)	(824)	(824)
	(966)	(966)	(966)
Minority interests	(6,344)	(6,344)	(6,344)
Net Assets	51,854	59,754	59,754

7. FINANCIAL INFORMATION (Cont'd)

	Audited as of June 30, 2001 RM'000	Proforma 1 Upon Public Issue RM'000	Proforma 2 After Proforma 1 and Utilisation of Proceeds RM'000
Represented by:			
Issued capital	12,772	40,000	40,000
Share premium	1,277	5,300	5,300
Reserve on consolidation	14,474	14,474	14,474
Accumulated loss	(20)	(20)	(20)
	28,503	59,754	59,754
Shares pending allotment	23,351	-	-
Shareholders' Equity	51,854	59,754	59,754
Net Tangible Assets (RM'000)	45,958	53,858	53,858
Net Tangible Assets per share (RM)	1.35	1.35	1.35

7. FINANCIAL INFORMATION (Cont'd)

**EMIVEST BERHAD
NOTES AND ASSUMPTIONS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS**

The Proforma Consolidated Balance Sheets have been prepared for illustrative purposes only based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements and are based on the audited consolidated balance sheet of Emivest Group.

1. The audited consolidated balance sheet of Emivest Group takes into account the following which have been effected as of June 30, 2001:
 - (i) Acquisition of Ideal Multifeed (Malaysia) Sdn. Bhd. ("Ideal") and implementation of rights issue by Gymtech Feedmill (Malacca) Sdn. Bhd. ("Gymtech"); and
 - (ii) Acquisitions of Gymtech and Sri Medan Duck Farm Sdn. Bhd. ("Sri Medan").
2. Proforma 1 is based on the assumption that the following have been effected as of June 30, 2001:
 - (i) Issuance of 21,228,036 ordinary shares of RM1 each at an issue price of RM1.10 per share pursuant to the exercise of rights to allotment of shares; and
 - (ii) Public Issue of 6,000,000 new ordinary shares of RM1 each at an issue price of RM1.50 per share and after adjustment for estimated listing expenses of RM1.1 million against the share premium account.
3. Proforma 2 is based on the assumption that Proforma 1 and the following have been effected as of June 30, 2001:
 - (i) Proceeds from term loan of RM10 million to be drawdown by Gymtech will be utilised for the acquisition of Ideal; and
 - (ii) Proceeds from the Public Issue, after payment of estimated listing expenses will be utilised for the following purposes:

	RM'000
Repayment of bank borrowings of Gymtech*	7,700
Working capital	200
	7,900

** The proceeds from the public issue will not be used directly or indirectly to acquire shares in another corporation other than the repayment of bank borrowings of Gymtech which are utilised for the acquisition of Ideal.*

7. FINANCIAL INFORMATION (Cont'd)

4. The movements in the issued capital, share premium and shares pending allotment accounts are as follows:

	Issued Capital RM'000	Share Premium RM'000	Shares Pending Allotment RM'000
Audited balance as of June 30, 2001	12,772	1,277	23,351
Issuance of ordinary shares pursuant to the exercise of rights to allotment of shares	21,228	2,123	(23,351)
Public Issue	6,000	3,000	-
Estimated listing expenses	-	(1,100)	-
	<hr/>	<hr/>	<hr/>
Balance as of June 30, 2001 - Proforma 1 and 2	40,000	5,300	-
	<hr/>	<hr/>	<hr/>

5. The audited net tangible assets per share as of June 30, 2001 takes into account shares pending allotment which are deemed to have been issued.

10. STATUTORY AND OTHER GENERAL INFORMATION

10.1 Share Capital

1. No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
2. There are no founder, management or deferred shares in the Company. As at the date of this Prospectus, there is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
3. Save as disclosed in this Prospectus, no capital of the Company and its subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise within the two (2) preceding years from the date of this Prospectus.
4. Other than 297,000 Shares of the Public Issue Shares reserved for eligible employees of Emivest Group as disclosed in this Prospectus, no person or director or employee of the Group has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries and no capital of the Company or its subsidiaries is under any option or agreed conditionally or unconditionally to be put under any option.
5. There are no restrictions on the transfer of the ordinary shares of the Company, except as otherwise required by law.

10.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association:-

1. Remuneration of Directors

The provisions in the Company's Articles of Association dealing with the remuneration of the Directors are as follows:-

Article 93

The Directors shall be paid by way of remuneration for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, PROVIDED ALWAYS that:-

- (a) the fees payable to the Directors shall from time to time be determined by a resolution of the Company in general meeting, PROVIDED ALWAYS that such fees shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (b) save as provided in Article 93(a) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. All remuneration, other than the fees provided for in Article 93(a) hereof, payable to the non-executive Directors shall be determined by a resolution of the Company in general meeting;
- (c) fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover;
- (d) salaries payable to executive Directors may not include a commission on or percentage of turnover; and
- (e) any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 94

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in general meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Extra remuneration payable to non-executive Director(s) shall not include a commission or percentage of turnover or profits.

2. *Changes in Capital of Variation of Class Rights*

The provisions in the Company's Articles of Association dealing with the changes in capital and variation of class rights, which are as stringent as those provided in the Act, are as follows:-

Article 57

The Company may by ordinary resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 58

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorisation, and consent required by law.

Article 8

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any other holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary apply.

3. *Transfer of Securities*

The provisions in the Company's Articles of Association dealing with the transferability of securities of the Company and restrictions on their free transferability are as follows:-

Article 30

The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Central Depository shall be by way of book entry by the Central Depository in accordance with the Rules and notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

Article 31

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of deposited security), the instrument of transfer shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share and/or the Record of Depositors as the case may be, in respect thereof. All transfer of deposited securities shall be effected in accordance with the Act, the Central Depositories Act and the Rules.

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 32

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the Directors may in their absolute discretion and without assigning any reason thereof, decline to register any transfer of shares which are not deposited with the Central Depository. The registration of any transfer shall be suspended when the register of transfer is closed under Article 34.

Article 33

Subject to the provisions of the Act, the Central Depositories Act and the Rules, all dealings in respect of deposited securities shall only be effected by the beneficial owners of such deposited securities or an authorised nominee, as the case may be. A Depositor shall not withdraw the securities which have been deposited with a Central Depository except in such manner as may be specified in the Rules.

Article 34

The Register of Members may be closed at such time and for such period as the Directors may from time to time determine PROVIDED ALWAYS that they shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange, such notice shall state the books closing date, which shall be at least twelve (12) clear market days after the date of notification to the Exchange, and the address of the share registry at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice, in accordance with the Rules to issue the appropriate Record of Depositors.

Article 35

Subject to the provisions of these Articles the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

4. *Listing Requirements of the KLSE*

The provisions of the Listing Requirements of the KLSE on the transferability of securities of the Company and restrictions on their free transferability are as follows:-

Section 7.13 - Transfer of Securities

The transfer of any securities or class of securities of the company which have been deposited with the Central Depository, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding sections 103 and 104 of the Companies Act 1965, but subject to sub-section 107C (2) of the Companies Act, 1965 and any exemption that may be made from compliance with sub-section 107C (1) of the Companies Act, 1965, the company shall be precluded from registering and effecting any transfer of listed securities.

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Section 7.14 - Transmission of Securities from Foreign Register

(1) Where:-

- (a) the securities of a company are listed on an Approved Market Place; and
- (b) such company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act, 1991 or section 29 of the Securities Industry (Central Depositories) Amendment Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of company in the jurisdiction of the Approved Market Place (hereinafter referred to as “**the Foreign Register**”), to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as “**the Malaysian Register**”) provided that there shall be no change in the ownership of such securities.

For the avoidance of doubt, no company which fulfils the requirements of paragraphs (a) and (b) above shall allow any transmission of securities from the Malaysian Register in to the Foreign Register.

10.3 Directors and Substantial Shareholders

1. The names, addresses and occupations of the directors are set out in “Corporate Information” section of this Prospectus.
2. A director is not allowed to hold any qualification shares in the Company.
3. No director, senior executive officer or person nominated to become a director or senior executive officer is or was involved in the following events:-
 - (i) A petition under any bankruptcy laws filed against such person or any partnership in which he was or is a partner or any corporation of which he was or is an executive officer;
 - (ii) A conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
 - (iii) The subject of any order, judgement or ruling of any court, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution or engaging in any type of business practice or activity.
4. There are no existing or proposed service contracts between the directors, key management or key technical personnel and the Company or any of its subsidiaries excluding contracts expiring, or terminable by the employing company without payments or compensation (other than statutory compensation) within one (1) year.

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

5. For the financial year ended 31 December 2000, the remuneration paid to the directors for services in all capacities to Emivest and its subsidiaries is approximately RM307,000. For the current financial year ending 31 December 2001, the amount payable to the directors of Emivest and its subsidiaries is approximately RM480,230. Details of the aggregate remuneration are as follows:-

Directors' emoluments RM	←-----No. of directors-----→	
	Year ended 31 December 2000	Year ending 31 December 2001
0-100,000	5	5
100,001-200,000	2	1
Above 200,000	-	1
	<u>7</u>	<u>7</u>

6. According to the Register of Directors' shareholdings as at the date of this Prospectus, the direct and indirect interests of the directors, in the issued and paid-up share capital of the Company, before and upon the completion of the IPO, are as follows:-

	←-----Before IPO -----→				←-----After IPO -----→			
	No. of Shares		%		No. of Shares		%	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Lau Bong Wong	-	-	-	-	-	-	8,000,000 ¹	20.00
Lau Chia Nguang	-	-	-	-	-	-	-	-
Sim Kim Hwa	-	-	-	-	-	-	-	-
Zabidi Bin Md Zain	-	-	-	-	-	-	-	-
Koh Low @ Koh Kim Toon	-	-	-	-	-	-	-	-

Note:-

1. By virtue of his interest in LHHB.

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

7. According to the Register of Substantial Shareholders of Emivest as at the date of the Prospectus, the direct and indirect interest of the substantial shareholders in the issued share capital of the Company, before and upon the completion of the IPO, are as follows:-

	←-----Before IPO -----→				←-----After IPO -----→			
	→							
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	Direct		Indirect		Direct		Indirect	
Datuk Lau Chong Wang	-	-	-	-	-	-	8,000,000 ¹	20.00
Lau Bong Wong	-	-	-	-	-	-	8,000,000 ¹	20.00
Amnah Bte Ibrahim	3,037,579	23.78	974,996 ³	-	1,996,000	4.99	-	-
LTM	974,996 ²	7.63	-	-	-	-	-	-
Rahmat bin Ibrahim	2,318,822	18.16	974,996 ³	-	2,322,470	5.81	-	-
Tan Sri Dato' Ahmad Sabki bin Jahidin	2,318,822	18.16	974,996 ³	-	2,322,470	5.81	-	-
Lt Kol (B) Kudri Bin Hj Siraj	1,043,971	8.17	-	-	1,045,614	2.61	-	-
Dato' Mohammed Salleh Bin Ahmad	1,048,991	8.21	-	-	1,050,643	2.63	-	-
Datuk Esa Bin Ahmad	1,260,819	9.87	-	-	1,262,803	3.16	-	-
Mega Perfect ⁴	- ⁵	-	-	-	13,228,036	33.07	-	-
LHHB	-	-	-	-	8,000,000 ⁶	20.00	-	-

Notes:-

1. By virtue of their substantial interests in LHHB.
2. Held the rights to allotment of 1,060,428 Shares in Emivest.
3. By virtue of their interests in LTM.
4. The shareholders of Mega Perfect upon the completion of the IPO are set out below:-

Shareholder	% equity interest
Datuk Lau Chong Wang	14.48
Lau Bong Wong	14.47
Lau Chia Nguang	14.21
Datuk Lau Chir Nguan	14.21
Dato' Lau Eng Guang	14.21
Lau Hai Nguan	14.21
Datuk Lau Tuang Nguang	14.21
Total	100.00

5. Held the rights to allotment of 19,781,178 Shares in Emivest.
6. The shareholders of LHHB have approved the acquisition of the rights to allotment of 8,000,000 Shares by LHHB on 28 November 2001.

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

8. Save as disclosed in this Prospectus, none of the directors or substantial shareholders of the Company has any interests, direct or indirect, in other businesses and corporations quoted and unquoted on a recognised stock exchange carrying on a similar trade as the Company or its subsidiary companies.

10.4 General

1. The nature of the Company's business and the names of all corporations which are deemed to be related to the Company by virtue of the Act are disclosed in Section 4 of this Prospectus. Other than mentioned in this Section of the Prospectus, there is no deemed corporation deemed related to the Company by virtue of Section 6 of the Act.
2. The time of the opening of the Application Lists is set out in Section 11 of this Prospectus.
3. The amount payable in full on application or acceptance in respect of the IPO is RM1.50 per Share.
4. Save as disclosed in this Prospectus, no Shares or debentures of the Company or its subsidiaries have been issued or proposed to be issued as fully or partly paid-up for cash or otherwise than in cash within the two (2) preceding years of the date of this Prospectus.
5. As at the date of this Prospectus, neither the Company nor its subsidiary companies have any convertible debt securities.
6. Expenses incidental to the listing and quotation of the entire issued and paid-up share capital of the Company on the KLSE amounting to approximately RM1.1 million will be borne by the Company.
7. Save as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or granted by the Company or its subsidiaries within the two (2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in or debentures of the Company or its subsidiary companies and no director or proposed director or promoter or expert is entitled to receive any such payment in connection with the issue and sale of the Company and its subsidiaries.
8. No amount or benefit has been paid or given within the two (2) years preceding the date hereof, nor is it intended to be so paid or given, to any promoter.
9. The name and address of the Auditors are set out earlier in the "Corporate Information" page of this Prospectus.
10. Save as disclosed in this Prospectus, the directors of the Company or its subsidiaries are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company or its subsidiary companies.

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

11. Save as disclosed in this Prospectus, the directors of the Company or its subsidiaries are of the view that the financial conditions and operations of Emivest and its subsidiaries are not affected by any of the following:-
- (i) any known trends or known demands, commitments, events or uncertainties that have had or that the Emivest Group reasonably expects to have a material favourable or unfavourable impact on financial performance, position and operations of the Group;
 - (ii) any material commitments for capital expenditure;
 - (iii) any unusual or infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group;
 - (iv) any substantial increase in revenue; and
 - (v) any known events, circumstances, trends, uncertainties or commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position of the Group.
12. Save as disclosed in this Prospectus, there is not present intention on the part of the directors of the Company to issue any part of the authorised but unissued share capital of the Company.
13. During the last financial year and current financial year, there were:-
- (i) no public takeover offers by their parties in respect of the Company's Shares; and
 - (ii) no public takeover offers by the Company in respect of other companies' shares.
14. Save for 297,000 Shares of the Public Issue Shares reserved for eligible employees of the Emivest Group as disclosed in this Prospectus, there are at present no other schemes involving the staff in the capital of the Company and its subsidiaries as at the date of this Prospectus.
15. The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 11 of this Prospectus.

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

10.5 Material Contracts

Save as disclosed below, there are no contracts/agreements which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company or its subsidiary companies within the two (2) years preceding the date of this Prospectus:-

- (i) Sale and Purchase Agreement dated 8 March 2000 between Sri Medan and LTM (“the Vendor”) to acquire a piece of land held under GM298, Lot 3912, Mukim Cha’ah Bahru XVII, District of Batu Pahat, Johor for a total consideration of RM175,124.00;
- (ii) Sale and Purchase Agreement dated 8 March 2000 between Sri Medan and LTM (“the Vendor”) to acquire a piece of land held under GM79, Lot 902, Mukim Cha’ah Bahru XVII, District of Batu Pahat, Johor for a total consideration of RM273,875.00;
- (iii) Supplemental Agreement dated 25 November 2000 between the shareholders of Gymtech (“the Vendors”) and Emivest (“the Purchaser”) for the acquisition of 7,750,061 ordinary shares of RM1.00 each in the capital of Gymtech for a purchase consideration of RM25,507,049 to be satisfied by the issuance of 23,188,226 Shares at an issue price of RM1.10 per Share;
- (iv) Supplemental Agreement dated 25 November 2000 between the shareholders of Sri Medan (“the Vendors”) and Emivest (“the Purchaser”) for the acquisition of 650,000 ordinary shares of RM1.00 each in the capital of Sri Medan for a purchase consideration of RM11,892,951 to be satisfied by the issuance of 10,811,774 Shares at an issue price of RM1.10 per Share;
- (v) Sale and Purchase Agreement dated 23 October 2000 between Manis Rasa Sdn Bhd (“the Vendor”) and Gymtech (“the Purchaser”) for the acquisition of 9,190,171 ordinary shares of RM1.00 each in Ideal, representing 59.68% of the issued and paid-up share capital of Ideal, for a total consideration of RM14,769,000;
- (vi) Sale and Purchase Agreement dated 14 May 2001 between Tay Chiew (“the Vendor”) and Gymtech (“the Purchaser”) to acquire a piece of land held under Geran No. 27635, Lot 355, Mk Tangkak, District of Muar for a total consideration of RM490,105;
- (vii) Second Supplemental Agreement dated 28 June 2001 between the shareholders of Gymtech (“the Vendors”) and Emivest for the acquisition of 7,750,061 ordinary shares of RM1.00 each in the capital of Gymtech for a purchase consideration of RM25,507,049 to be satisfied by the issuance of 10,048,271 Shares and the rights to allotment of 13,139,955 Shares at an issue price of RM1.10 per Share; and
- (viii) Second Supplemental Agreement dated 28 June 2001 between the shareholders of Sri Medan (“the Vendors”) and Emivest (“the Purchaser”) for the acquisition of 650,000 ordinary shares of RM1.00 each in the capital of Sri Medan for a purchase consideration of RM11,892,951 to be satisfied by the issuance of 2,723,693 Shares and the rights to allotment of 8,088,081 Shares at an issue price of RM1.10 per Share; and
- (ix) An Underwriting Agreement dated 30 November 2001 between the Company and the Underwriter for the underwriting of 1,500,000 Shares of the Public Issue Shares for an underwriting commission of 3% of the issue price of RM1.50 per Share.

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

10.6 Material Litigation

The Group is not engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Group.

10.7 Contingent Liabilities

As at 30 November 2001 (being the last practicable date prior to the registration of this Prospectus), the directors are not aware of any contingent liabilities which, upon becoming enforceable, may have material impact on the profit or net assets value of the Group.

10.8 Consents

1. The written consents of the Adviser, Underwriter and Placement Agent, Solicitors for IPO, Principal Bankers, Share Registrars, Company Secretaries and Issuing House to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn; and
2. The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report and its letter relating to the proforma consolidated profit estimate and forecast for the financial years ending 31 December 2001 and 2002, letter on the proforma consolidated balance sheets as at 30 June 2001 in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

10.9 Documents for Inspection

Copies of the following documents may be inspected at the registered office of the Company during office hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of Emivest and its subsidiaries;
- (ii) The Accountants' Report and Directors' Report referred to in Sections 9 and 8 respectively of this Prospectus;
- (iii) Reporting Accountants' letters relating to the consolidated profit estimate and forecast for the financial years ending 31 December 2001 and 2002 and proforma consolidated balance sheets as at 30 June 2001 of Emivest referred to in Sections 7.3 and 7.6 respectively of this Prospectus;
- (iv) Audited accounts of Gymtech for the five (5) financial years ended 31 December 1996 to 2000 and for the six (6) months period ended 30 June 2001;
- (v) Audited accounts of Sri Medan for the six (6) financial years ended 30 April 1996 to 2001, for the eight (8) months period ended 31 December 1996 to 2000 and for the two (2) months period ended 30 June 2001;
- (vi) Audited accounts of Ideal for the five (5) financial years ended 31 December 1996 to 2000 and for the six (6) months period ended 30 June 2001;

10. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (vii) The material contracts referred to under Section 10.5 of this Prospectus; and
- (viii) The letters of consent referred to under Section 10.8 of this Prospectus.

10.10 Responsibility

1. Arab-Malaysian acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the IPO and the Emivest Group, and is satisfied that the consolidated profit estimate and forecast (for which the Directors of the Company are solely responsible) have been stated by the directors of the Company after due and careful inquiry; and
2. This Prospectus has been seen and approved by the directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement herein misleading.

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE

11.1 Opening and Closing of Application Lists

The Application Lists for the IPO will open at 10.00 a.m. on 28 December 2001 and will remain open until 8.00 p.m. on the same day or for such later date as the directors of Emivest and/or promoters of Emivest together with the Underwriter in their absolute discretion may decide and in the event the offer for sale to Bumiputera investors approved by the MITI is delayed.

11.2 Methods of Application

Applications for the IPO Shares may be made using either of the following methods:-

- (i) Application Forms; or
- (ii) Electronic Share Application.

11.3 General Conditions for Applications**(i) Application by Eligible Employees of the Emivest Group**

Applications for 300,000 IPO Shares reserved for eligible employees of the Emivest Group must be made only on the special **Pink** Application Forms provided and **NOT** on any other Application Form or by way of Electronic Share Application.

(ii) Application by Places under the Private Placement

Applications for 4,500,000 IPO Shares placed out with Malaysian Persons by the Placement Agent must be made on the **Yellow** Application Forms provided and **NOT** on any other Application Form or by way of Electronic Share Application.

(iii) Application by Malaysian Persons for Allocations via Balloting

Applications for 1,200,000 IPO Shares made available for applications by the Malaysian Persons must be made on the **White** Application Forms provided or by way of Electronic Share Application.

(iv) Application by LHHB, Bumiputera Investors Approved by the MITI and Existing Bumiputera Shareholders of Emivest

Applications for the 10,016,575 IPO Shares made available for application by LHHB, Bumiputera investors approved by the MITI and existing Bumiputera shareholders of Emivest **MUST** be made on the **Green** Application Forms provided only and **NOT** on any other Application Form or by way of Electronic Share Application.

Directors and employees of MIH and their immediate family are strictly prohibited from applying for the IPO Shares. Directors (including one who is designated as a director under the Act) of the Company and its subsidiaries/associated companies and the associates of such directors are not allowed to apply for the Public Issue Shares.

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Only one (1) Application can be made by each applicant. **Multiple applications will not be accepted.** Each Application made on **White** or **Pink** or **Yellow** Application Forms must be for 1,000 Shares or multiples thereof. Each Application made on **Green** Application Forms must be for the specified number of IPO Shares offered. The amount payable in full on application is RM1.50 per Share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications and vice versa. A corporation or institution cannot apply for IPO Shares by way of Electronic Share Application.

The Applications shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company.

No acknowledgement of the receipt of Application Forms or application monies will be made by the Company.

IN THE CASE OF AN INDIVIDUAL APPLICANT OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME, NATIONAL REGISTRATION IDENTITY CARD NUMBER (“NRIC”) AND ADDRESS OF THE APPLICANT MUST BE EXACTLY THE SAME AS STATED IN:-

- (i) (a) THE APPLICANT’S IDENTITY CARD;
- (b) CHANGE OF ADDRESS CARD OR “RESIT PENUKARAN KAD PENGENALAN (JPN 1/22)”; OR
- (c) THE APPLICANT’S RESIT PENGENALAN SEMENTARA (JPN 1/9) ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND
- (ii) THE RECORDS OF THE MCD, IF ANY.

WHERE THE APPLICANT IS A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME, AND THE ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, OF THE APPLICANT MUST BE EXACTLY THE SAME AS STATED IN HIS AUTHORITY CARD AND THE ADDRESS OF THE APPLICANT MUST BE THE ADDRESS OF THE APPLICANT’S RESPECTIVE CAMP/BASE/STATION.

IN THE CASE OF A CORPORATE/INSTITUTIONAL APPLICANT, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER OF THE APPLICANT MUST BE EXACTLY THE SAME AS THE APPLICANT’S CERTIFICATE OF INCORPORATION AND THE ADDRESS MUST BE EXACTLY THE SAME AS THE REGISTERED ADDRESS.

11.4 Application Using Application Forms

11.4.1 Application Forms

The following relevant Application Forms issued with the notes and instructions printed herein are enclosed with this Prospectus and are deemed to form part thereof:-

- (i) **Pink** Application Forms for application by eligible employees of the Emivest Group;
- (ii) **Yellow** Application Forms for application by placees under the private placement;

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) **White** Application Forms for application by Malaysian Persons of which at least 30% is set aside for Bumiputera individuals, companies, co-operatives, societies and institutions; and
- (iv) **Green** Application Forms for application by LHHB, Bumiputera investors approved by MITI and existing Bumiputera shareholders of Emivest.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from Arab-Malaysian, members companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia and MIH.

Pink, Yellow and Green Application Forms together with copies of this Prospectus will be sent out to eligible employees of the Emivest Group, the places identified by the Placement Agent, LHHB, Bumiputera investors approved by the MITI and existing Bumiputera shareholders of Emivest.

11.4.2 Terms and Conditions for Applications Using Application Forms

Applications by way of Application Forms shall be made on, and subject to, the terms and conditions appearing below:-

- (1) Application for the Shares must be made on the Application Form issued together with this Prospectus and must be completed in accordance with the Notes and Instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 37 (1) of the Act, the Application Form together with the Notes and Instructions printed therein shall constitute an integral part of this Prospectus. Applications which do not STRICTLY conform to the terms of this Prospectus or Application Form or Notes and Instructions printed therein or which are illegible will not be accepted.
- (2) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCES IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY:-
 - (A) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
 - (B) CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES IN MALAYSIA AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
 - (C) MONEY ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
 - (D) GUARANTEED GIRO ORDER (GGO) FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(E) ATM STATEMENT OBTAINED FROM:-

- AFFIN-ACF FINANCE BERHAD (*formerly known as Asia Commercial Finance (M) Berhad*);
- ALLIANCE BANK MALAYSIA BERHAD (*formerly known as Multi Purpose Bank Berhad*);
- ARAB-MALAYSIAN BANK BERHAD;
- ARAB-MALAYSIAN FINANCE BERHAD;
- BANK UTAMA (MALAYSIA) BERHAD;
- BUMIPUTRA-COMMERCE BANK BERHAD;
- EON BANK BERHAD;
- EON FINANCE BERHAD;
- HONG LEONG FINANCE BERHAD;
- HONG LEONG BANK BERHAD;
- MALAYAN BANKING BERHAD;
- MAYBAN FINANCE BERHAD;
- MBf FINANCE BERHAD;
- PUBLIC BANK BERHAD;
- PUBLIC FINANCE BERHAD;
- RHB BANK BERHAD;
- SOUTHERN BANK BERHAD
(*ex-Ban Hin Lee Bank Berhad*); OR
- SOUTHERN FINANCE BERHAD (*formerly known as United Merchant Finance Berhad*).

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

AND MUST BE MADE OUT IN FAVOUR OF

MIH SHARE ISSUE ACCOUNT NO. 203

AND **CROSSED "A/C PAYEE ONLY"** (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT (AS EXACTLY STATED ON THE APPLICATION FORM). APPLICATIONS ACCOMPANIED BY ANY MODE OF PAYMENT OTHER THAN THOSE STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES WILL NOT BE ACCEPTED. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED ON THE APPLICATION FORMS.

- (3) AN APPLICANT SHOULD STATE HIS CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM IF HE PRESENTLY HAS SUCH AN ACCOUNT. WHERE AN APPLICANT DOES NOT PRESENTLY HAVE A CDS ACCOUNT, HE SHOULD STATE IN HIS APPLICATION FORM HIS PREFERRED ADA CODE.
- (4) THE NAME AND ADDRESS OF THE APPLICANT (AS EXACTLY STATED ON THE APPLICATION FORM) MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER, CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES OR GUARANTEED GIRO ORDER (GGO) FROM BANK SIMPANAN NASIONAL.
- (5) The directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him/her to ascertain the regularity or propriety of the application. The Directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (6) The directors of the Company reserve the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (7) The directors of the Company reserve the right not to accept any application or accept any application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
- (8) Where an application is not accepted, the full amount of the application monies, without interest, will be returned and shall be despatched to the applicant within twenty one (21) days from the date of the final ballot of the Application Lists by registered post at the address shown on the Application Form at the applicant's own risk.

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (9) MIH reserves the right to bank in all application monies from unsuccessful Bumiputera applicants and partially successful applicants, which would subsequently be refunded without interest by registered post.
- (10) Each completed Application Form must be despatched by **ORDINARY POST** in the official envelopes provided, to the Issuing House at the following address:-

Malaysian Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
No.8, Jalan Munshi Abdullah
50100 Kuala Lumpur
P.O.Box 13269
50804 Kuala Lumpur

or **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the back portion of Menara Multi-Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur, so as to arrive not later than **8.00 p.m.** on **28 December 2001**.

Applications may also be delivered in a drive-in manner at Stadium Hoki Tun Razak, Jalan Duta, Kuala Lumpur on 28 December 2001 between 8.30 a.m. to 8.00 p.m. only.

- (11) PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE OF APPLICATION FORMS TO MIH.

11.5 Application Using Electronic Share Applications

11.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) Applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
- (ii) Applicant must have a CDS account.
- (iii) Application is to apply for the IPO via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 11.5.2 under the Terms and Conditions for Electronic Share Applications. Applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so:-
- Personal Identification Number ("PIN");
 - **MIH Share Issue Account Number 203**;
 - CDS account Number;
 - Number of IPO Share applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

11.5.2 Terms and Conditions for Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the “Steps”). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in “**Steps for Electronic Share Application through a Participating Financial Institution’s ATM**” in Section 11.5.1 of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to the “**applicant**” in the terms and conditions for Electronic Share Applications and the Steps shall mean the applicant who applies for shares through an ATM of any of the Participating Financial Institutions.

In the case of Electronic Share Applications, only an applicant who is an individual with a CDS Account is eligible to utilise the facility.

The applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Financial Institutions before he can make an Electronic Share Application at an ATM of the Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of his Electronic Share Application transaction, the applicant will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by the Company or the Issuing House. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of the offer for the application for the Public Issue Shares on 28 December 2001 at 8.00 p.m. (“**Closing Date and Time**”), the Participating Financial Institution shall submit a magnetic tape containing its respective customers’ applications for the Public Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. of the 2nd business day after the Closing Date and Time.

An applicant will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he has an account and its branches, subject to the applicant making only one application. An applicant who has a bank account with a Participating Financial Institution and has been issued an ATM card will be allowed to apply for the IPO Shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to the applicant making only one application.

AN APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. HIS APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE FOREGOING.

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained in Section 11.3 and 11.5.2 as well as the terms and conditions appearing below: -

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company.
- (ii) The applicant is required to confirm the following statements (by depressing predesignated keys or buttons on the ATM keyboard) and undertake that the following information given is true and correct: -
- I have attained 18 years of age as at the closing date of the share application.
 - I am a Malaysian citizen residing in Malaysia.
 - I have read the relevant Prospectus and understood and agreed with the terms and conditions of this application.
 - This is the only application that I am submitting.
 - I hereby give consent to the Participating Financial Institution and MCD to disclose information pertaining to myself and my account with the Participating Financial Institution and MCD to the MIH and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institution. By doing so, the applicant shall be treated as signifying his confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act 1989 and Section 45 of the Securities Industry (Central Depositories) Act 1991 to the disclosure by the relevant Participating Financial Institution or MCD, as the case may be, of any of the applicant's particulars to the relevant Issuing House, or any relevant regulatory bodies.

- (iii) THE APPLICANT CONFIRMS THAT HE IS NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE MAKES IS MADE BY HIM AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE SAID SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.
- (iv) The applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Share Application, failing which his Electronic Share Application will not be completed. Any Electronic Share Application that does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (v) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of shares applied for as stated on the Transaction Record or any lesser number of shares that may be allotted or allocated to him in respect of his Electronic Share Application. In the event that the Company decides to allot or allocate any lesser number of such shares or not to allot or allocate any shares to the applicants, the applicant agrees to accept any such decision as final. If the applicant's Electronic Share Application is successful, his confirmation (by his action of pressing the designated key on the ATM) of the number of shares applied for shall signify, and shall be treated as, his acceptance of the number of shares that may be allotted or allocated to him and to be bound by the Memorandum and Articles of Association of the Company.
- (vi) The Directors of the Company reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (vii) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications. Where an Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into the applicant's account with that Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. MIH shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) market days of the balloting date. The applicant may check their accounts on the fifth market day from the balloting date.
- Where an Electronic Share Application is successful in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with that Participating Financial Institution within two (2) market days after the receipt of confirmation from the Issuing House. A number of applications will however, be held in reserve to replace any successfully balloted applications that are subsequently rejected. For such applications that are subsequently rejected, the application monies without interest will be refunded to applicants by MIH by way of cheques issued by MIH. The cheques will be issued not later than 21 days from the day of the final ballot of the application list.
- (viii) Should applicants encounter any problems in their applications, they may refer to the Participating Financial Institutions.
- (ix) The applicant requests and authorises the Company: -
- (a) to credit the shares allotted or allocated to the applicant into the CDS account of the applicant; and
- (b) to issue share certificate(s) representing such shares allotted or allocated in the name of MCD Nominees Sdn Bhd and send the same to MCD.

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (x) The applicant, acknowledging that his Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of the Company, MIH or the Participating Financial Institution, irrevocably agrees that if: -
- (a) the Company or MIH does not receive the applicant's Electronic Share Application; or
 - (b) data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to the Company or MIH,

the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall not claim whatsoever against the Company, MIH or the Participating Financial Institutions for the shares applied for or for any compensation, loss or damage.

- (xi) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he makes his Electronic Share Application shall be deemed to be true and correct and the Company, MIH and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xii) The applicant shall ensure that his personal particulars as recorded by both MCD and the relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Share Application is liable to be rejected. The applicant must inform MCD promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to his registered address last maintained with MCD.
- (xiii) By making and completing an Electronic Share Application, the applicant agrees that: -
- (a) in consideration of the Company agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, his Electronic Share Application is irrevocable;
 - (b) the Company, the Participating Financial Institutions, MCD and MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Share Application to the Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (c) notwithstanding the receipt of any payment by or on behalf of the Company, the acceptance of the offer made by the applicant to subscribe and purchase the shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the said shares;

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (d) the applicant irrevocably authorises MCD to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the shares allotted or allocated to the applicant; and
 - (e) the Company agrees that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or Electronic Share Application Scheme and/or terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xiv) The directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him/her to ascertain the regularity or propriety of the application. The Directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (xv) The directors of the Company reserve the right to reject applications which do not conform to these instructions.
- (xvi) Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches: -
- ARAB-MALAYSIAN BANK BERHAD; or
 - ARAB-MALAYSIAN FINANCE BERHAD; or
 - BUMIPUTRA-COMMERCE BANK BERHAD (at selected branches in Klang Valley only); or
 - HSBC BANK MALAYSIA BERHAD; or
 - MALAYAN BANKING BERHAD; or
 - MAYBAN FINANCE BERHAD; or
 - OCBC BANK (MALAYSIA) BERHAD; or
 - STANDARD CHARTERED BANK MALAYSIA BERHAD. (at selected branches only).
- (xvii) A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

11.6 Applications and Acceptances

The directors of Emivest reserve the right not to accept any application which do not strictly comply with the instructions or to accept any application in part only without assigning any reason therefor.

THE SUBMISSION OF AN APPLICATION DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

In the event of over-subscription, acceptance of applications will be subject to ballot to be conducted in the manner as approved by the directors of Emivest. Due consideration will be given to the desirability of distributing the Public Issue Shares to a reasonable number of applicants with a view to broadening the shareholding base of the Company and to establish an adequate market in the Shares of the Company. Acceptance of application will be made in a manner so as to comply with the SC's shareholding spread requirements that at least 25% of the issued and paid-up capital is in the hands of public shareholders and a minimum number of 750 public shareholders of which 500 shareholders are not employees of the Group holding not less than 1,000 shares each. Applicants will be selected in a manner to be determined by the directors of Emivest. In the event the shareholding spread is not met, the Company may not be allowed to proceed with its listing. In the event thereof, monies paid in respect of all applications will be returned.

In the event of an under-subscription by the Malaysian public, the 1,500,000 Shares of the Public Issue Shares not applied for will be made available for subscription by the Underwriter as stipulated in the Underwriting Agreement dated 30 November 2001. Any Shares not subscribed by eligible employees of the Emivest Group will be made available for application by the Malaysian public.

WHERE AN APPLICATION IS REJECTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE RETURNED WITHOUT INTEREST AND SHALL BE DESPATCHED BY ORDINARY POST OR REGISTERED POST RESPECTIVELY TO THE APPLICANT, WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS, AT THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

THE ISSUING HOUSE RESERVES THE RIGHT TO BANK IN ALL MONIES FROM UNSUCCESSFUL BUMIPUTERA APPLICANTS AND FROM PARTIALLY SUCCESSFUL APPLICATIONS. REFUND MONIES IN RESPECT OF UNSUCCESSFUL BUMIPUTERA APPLICANTS AND PARTIALLY SUCCESSFUL APPLICANTS WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY REGISTERED POST AT THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCES BEING PRESENTED FOR PAYMENT.

11.7 CDS Accounts

Pursuant to Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in the IPO Shares will be by book entries through CDS Accounts. No share certificates will be issued to successful applicants.

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the case of an application by way of an Application Form, an applicant should state his CDS Account number in the space provided in the Application Form if he presently has such an account. Where an applicant does not presently have a CDS Account, he should state in the Application Form his preferred ADA Code in the space provided. A list of ADA Codes is given in Section 11.10 of this Prospectus. Where an applicant already has a CDS Account, he should not complete the preferred ADA Code.

If a successful applicant fails to state either his CDS Account number or his preferred ADA code, the Company may, in the exercise of its absolute discretion, instruct the Issuing House to insert a preferred ADA Code on the Application Form and further instruct MCD to open a CDS Account on the applicant's behalf at the specified ADA and credit the shares allotted to the successful applicant into the successful applicant's CDS Account.

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS Account can make an Electronic Share Application and the applicant shall furnish his CDS Account Number to the Participating Financial Institution or by way of keying in his CDS Account Number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so.

Failure to comply with these specific instructions as required for the Electronic Share Application or inaccuracy in the CDS Account number or the preferred ADA Code may result in the application being rejected. The directors of the Company reserve the right to reject any incomplete or inaccurate application. Applications may also be rejected if the applicant's particulars provided in their Application Forms, or in the case of Electronic Share Applications, if the records of the Participating Financial Institutions at the time of making the Electronic Share Applications differ from those in MCD's records, such as the identity card number, names and nationalities.

11.8 *Notice of Allotment*

Shares allotted to all successful applicants will be credited to their respective CDS Account. A notice of successful allotment will be despatched to the successful applicant at his/her addresses shown in the Application Form at the applicant's own risk within thirty (30) days after the final ballot of the application. For Electronic Share Applications, the notice of allocation will be despatched to the successful or partially successful applicant at his/her address last maintained with the MCD at the applicant's own risk within thirty (30) days after the final ballot of the application list. This is the only acknowledgement of acceptance of the application.

11.9 *Formalising of CDS Accounts*

Successful applicants whose CDS Accounts have been opened by MCD at their preferred ADA or the ADA caused to be inserted by the MIH at the instruction of the Company in case where the successful applicants fail to state either their CDS account numbers or the preferred ADA Codes are required to formally open their accounts by submitting to the ADA the necessary documents and the account opening fees. No transaction of shares credited to the accounts can be effected until the accounts have been formally opened.

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

11.10 List of ADA

A list of the ADA (Broker) Codes is as follows:-

Name	Address and Telephone Number	ADA Code
<u>KUALA LUMPUR</u>		
AFFIN-UOB SECURITIES SDN BHD	Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2143 8668	028-001
ALLIED AVENUE ASSETS SECURITIES SDN BHD (formerly known as MGI Securities Sdn Bhd)	Ground Floor & Level 1 THB Satu, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-255 1111	052-001
ARAB-MALAYSIAN SECURITIES SDN BHD	15th Floor, Arab-Malaysian Building 55 Jalan Raja Chulan 50200 Kuala Lumpur Tel No: 03-2078 2788	086-001
BBMB SECURITIES SDN BHD	Level 2, 3, 4 & 15, Menara Olympia No. 8 Jalan Raja Chulan 50200 Kuala Lumpur Tel No: 03-201 9900	099-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor Podium Block, AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No: 03-4043 3533	024-001
CIMB SECURITIES SDN BHD	9th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel No: 03-253 2288	065-001
FIMA SECURITIES SDN BHD (formerly known as Capitalcorp Securities Sdn Bhd)	No. 45-14, Plaza Level & Level One Plaza Damansara Jalan Medan Setia Satu Damansara Heights 50490 Kuala Lumpur Tel No.: 03-254 9966	018-001
HLG SECURITIES SDN BHD	Level 5, Wisma Kia Peng No.3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.:03-2168 1168	066-001

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	ADA Code
INTER-PACIFIC SECURITIES SDN BHD	Level 7, Shahzan Insas Tower 30, Jalan Sultan Ismail 50250 Kuala Lumpur Tel No: 03-2144 1888	054-001
JUPITER SECURITIES SDN BHD	7 th – 9 th Floor Menara Olympia No.8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No: 03-2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD (<i>formerly known as Seagroatt & Campbell Sdn Bhd</i>)	30 th Floor, The Weld Tower No. 76, Jalan Raja Chulan 50200 Kuala Lumpur Tel No: 03-2020 1600	053-001
K & N KENANGA BHD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No: 03-2164 9080	073-001
KUALA LUMPUR CITY SECURITIES SDN BHD	No.8, Jalan Binjai Off Jalan Ampang 50450 Kuala Lumpur Tel No: 03-2166 7922	076-001
LEONG & COMPANY SDN BHD	Level 18, Wisma Cyclecarri 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No: 03-2692 8899	061-001
MAYBAN SECURITIES SDN BHD	Level 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No: 03-2297 8888	098-001
MIDF SISMA SECURITIES SDN BHD	17th & 18th Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-2166 8888	026-001
OSK SECURITIES BERHAD	10th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No: 03-2162 4388	056-001
PB SECURITIES SDN BHD	27 th Floor, Bangunan Public Bank No.6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No: 03-201 3011	051-001
PM SECURITIES SDN BHD (<i>formerly known as Pengkalen Securities Sdn Bhd</i>)	Ground Floor & 1 st Floor, MUI Plaza Jalan P.Ramlee 50250 Kuala Lumpur Tel No: 03-2146 3000	064-001
RASHID HUSSAIN SECURITIES SDN BHD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No: 03-985 2233	087-001

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	ADA Code
SIME SECURITIES SDN BHD	21st Floor, Bangunan SIME Bank 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No: 03-2274 9288	097-001
TA SECURITIES BERHAD	TA One Tower No.22, Jalan P.Ramlee 50250 Kuala Lumpur Tel No: 03-2072 1277	074-001
<u>SELANGOR DARUL EHSAN</u>		
AMSTEEL SECURITIES (M) SDN BHD	2 nd , 3 rd & 4 th Floors Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No: 03-3343 9999	080-001
HWANG-DBS SECURITIES BERHAD	16 th , 18 th – 20 th Floor Plaza Masalam No.2, Jalan Tengku Ampuan Zabedah E9/E, Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-5513 3288	068-002
JF APEX SECURITIES BERHAD	3rd Floor, Wisma Apex 145A-C Jalan Bukit 43000 Kajang Selangor Darul Ehsan Tel No: 03-8736 1118	079-001
JF APEX SECURITIES BERHAD	15 th & 16 th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002
MOHAIYANI SECURITIES SDN BHD	1 st , 2 nd & 3 rd Floor Plaza Damansara Utama No.2, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No: 03-7729 7345	095-001
PM SECURITIES SDN BHD	No. 157 & 159 Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No: 03-8070 0773	064-003

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	ADA Code
SJ SECURITIES SDN BHD	Level 3, Holiday Villa No 9, Jalan SS 12/1 Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Tel No: 03-5634 0202	096-001
<u>MALACCA</u>		
MALACCA SECURITIES SDN BHD	No.1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang, P.O. Box 248 75250 Malacca Tel No: 06-337 1533	012-001
OSK SECURITIES BERHAD	579, 580-581A & B Taman Malacca Raya 75000 Malacca Tel No: 06-282 5211	056-003
STRAITS SECURITIES SDN BHD	Lot 9 & 10, 1st Floor Bangunan Tabung Haji Jalan Bandar Kaba 75000 Malacca Tel No: 06-283 3622	011-001
<u>PERAK DARUL RIDZUAN</u>		
BOTLY SECURITIES SDN BHD	1st Floor, Plaza Teh Teng Seng 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Tel No: 05-253 1313	058-001
HWANG-DBS SECURITIES BERHAD	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No.: 05-806 0888	068-003
KIN KHOON & CO SDN BHD	A23-A29, Jalan Dato' Tahwil Azhar Wisma Kota Emas P.O. Box 421 30300 Ipoh Perak Darul Ridzuan Tel No: 05-254 3311	017-001
M & A SECURITIES SDN BHD	M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No: 05-241 9800	057-001
MAYBAN SECURITIES SDN BHD	55, 57 & 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No: 05-255 8233	098-002

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	ADA Code
SBB SECURITIES SDN BHD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No: 05-253 0888	090-001
OSK SECURITIES BERHAD	21-25, Jalan Seenivasagam 30450 Ipoh Perak Darul Ridzuan Tel No: 05-241 5100	056-002
<u>PULAU PINANG</u>		
A.A. ANTHONY & COMPANY SDN BHD	No. 41-1-1 & 41-2-1 Jalan Cantonment 10250 Pulau Pinang Tel No: 04-229 9318	014-001
HWANG-DBS SECURITIES BERHAD	Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No: 04-263 6996	068-001
HWANG-DBS SECURITIES BERHAD	Ground, 1 st & 2 nd Floor 1620 & 1621, Jalan Permatang Batu Taman Industri Permatang Batu 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-537 2882	068-006
OSK SECURITIES BERHAD	64, Bishop Street 20F & 20G ,Penang Street 10200 Pulau Pinang Tel No: 04-263 4222	056-004
OSK SECURITIES BERHAD	Level 19, Menara NB 5050 Jalan Bagan Luar 12000 Butterworth Pulau Pinang Tel No.: 04-332 2299	056-005
MERCURY SECURITIES SDN BHD	Ground, 1 st & 2 nd & 3 rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Perai Pulau Pinang Tel No: 04-332 2123	093-001
SMITH ZAIN SECURITIES SDN BHD	7th & 8th Floor, Menara PSCI 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No: 04- 228 3355	016-001
SOON THEAM SECURITIES SDN BHD	No.111, Jalan Macalister 10400 Pulau Pinang Tel No: 04-228 1868	060-001

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	ADA Code
THONG & KAY HIAN SECURITIES SDN BHD	Level 5 & 6, Wisma Sri Pinang 60 Green Hall 10200 Pulau Pinang Tel No: 04-263 5481	070-001
UT SECURITIES SDN BHD	6 th , 10 th & 12 th Floor, Bangunan Mayban Trust 3 Penang Street 10200 Pulau Pinang Tel No: 04-262 6644	059-001
<u>PERLIS INDRA KAYANGAN</u>		
UPEN SECURITIES SDN BHD	2 nd Floor, Podium Block Bangunan KWSP 01000 Kangar Perlis Indra Kayangan Tel No: 04-976 5200	023-001
<u>KEDAH DARUL AMAN</u>		
KUALA LUMPUR CITY SECURITIES SDN BHD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No: 04-731 7088	076-004
<u>NEGERI SEMBILAN DARUL KHUSUS</u>		
PM SECURITIES SDN BHD	1 st , 2 nd & 3 rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-762 3131	064-002
PAN MALAYSIA EQUITIES SDN BHD	9 th & 10 th Floor Bangunan Yayasan Negeri Sembilan Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No: 06-763 8999	084-001
HWANG-DBS SECURITIES BERHAD	Ground & 1 st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No: 06-761 2288	068-007
<u>JOHOR DARUL TAKZIM</u>		
ENG SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No: 07-223 1211	081-001

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	ADA Code
HWANG-DBS SECURITIES BERHAD	Podium 2A & 3, Menara Ansar 65, Jalan Trus 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-222 2692	068-004
KESTREL SECURITIES SDN BHD	No. 57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel No: 06-953 2222	088-001
PENINSULA SECURITIES SDN BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No: 07-333 3600	077-001
JB SECURITIES SDN BHD	Suite 8.2, Level 8 Menara Sarawak Enterprise No.5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No: 07-333 2000	078-001
KUALA LUMPUR CITY SECURITIES SDN BHD	No. 46 & 48 Jalan Dato' Kapten Ahmad 86000 Kluang Johor Darul Takzim Tel No: 07-771 7922	076-006
OSK SECURITIES BERHAD	Unit 27-01 to 27-08 Level 27, Menara Landmark No.12, Jalan Ngee Heng 80000 Johor Bahru Johor Darul Takzim Tel No: 07-221 2233	056-006
ARAB-MALAYSIAN SECURITIES SDN BHD	2 nd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No: 07-434 2282	086-002
<u>PAHANG DARUL MAKMUR</u>		
KUALA LUMPUR CITY SECURITIES SDN BHD	A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No: 09-566 0800	076-002
<u>KELANTAN DARUL NAIM</u>		
KOTA BHARU SECURITIES SDN BHD	298, Jalan Tok Hakim 15000 Kota Bahru Kelantan Darul Naim Tel No: 09-743 2 288	075-001

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	ADA Code
<u>TERENGGANU DARUL IMAN</u>		
FA SECURITIES SDN BHD	No.51 & 51A Ground, Mezzanine & 1 st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No: 09-623 8128	021-001
PTB SECURITIES SDN BHD	1 st , 2 nd & 3 rd Floors No. 61, Jalan Sultan Ismail P.O Box 151, Pejabat Pos Besar 20700 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-623 5546	025-001
<u>SARAWAK</u>		
SARAWAK SECURITIES SDN BHD	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No: 082-338 000	019-001
SARAWAK SECURITIES SDN BHD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577	019-002
BORNEO SECURITIES SDN BHD	12G, Jalan Kampung Datu 96000 Sibul Sarawak Tel No.: 084-319 998	030-001
HWANG-DBS SECURITIES BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No: 082-236 999	068-005
<u>SABAH</u>		
INNOSABAH SECURITIES BERHAD <i>(formerly known as InnoSabah Securities Sdn Bhd)</i>	11 Equity House, Block K Sadong Jaya Karamunsing 88100 Kota Kinabalu Sabah Tel No: 088-234 090	020-001
KUALA LUMPUR CITY SECURITIES SDN BHD	Suite 1-9 E1, 9 th Floor CPS Tower No.1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No: 088-253 922	076-005

11. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	ADA Code
<u>WILAYAH PERSEKUTUAN LABUAN</u>		
SHARETECH SECURITIES SDN BHD	Unit 7(A), Level 7 Main Office Tower Financial Park Labuan Jalan Merdeka 87000 Wilayah Persekutuan Labuan Tel No: 087-451 6666	022-001