

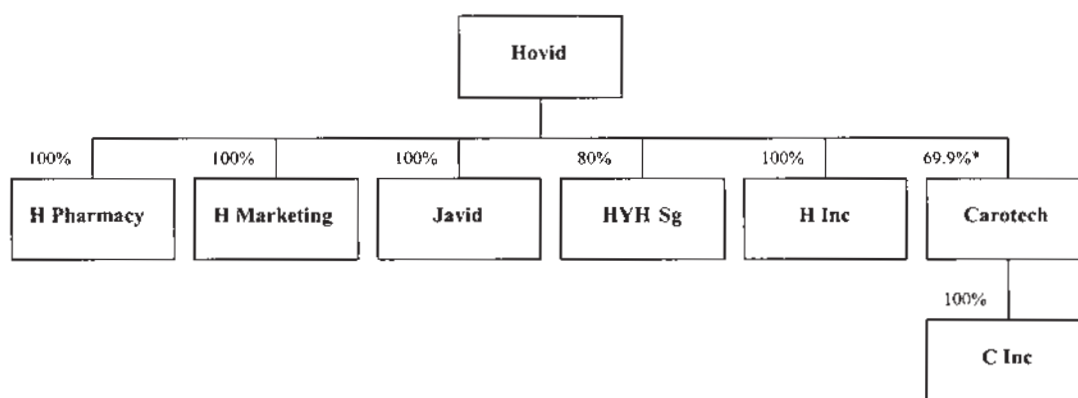
## 5 INFORMATION ON THE GROUP

### 5.1 INFORMATION ON THE COMPANY

The Company was incorporated on 20 May 1980 under the name of Ho Yan Hor (Kausing Brand) Medical Hall Sdn Bhd. It underwent several name changes, to Ho Yan Hor Pharmaceuticals Sdn Bhd on 21 May 1984, to Ho Yan Hor Sdn Bhd on 21 April 1989, and to Hovid Sdn Bhd on 24 March 1998. Then on 5 December 2003, the Company was converted into a public company under its present name. Its principal activities are the manufacturing of pharmaceutical and herbal products.

The history of the Group began in 1945 when the Ho Yan Hor business was founded by Dr. Ho Kai Cheong. The principal business then was the manufacture and sale of Ho Yan Hor herbal tea, which has since become a household name in Malaysia. Since then, the business has grown into one of the leading pharmaceutical manufacturers in Malaysia. Today, the Company is led by DH, the son of Dr. Ho Kai Cheong, and is focused on providing high-quality and innovative medicinal preparations and health supplements of various dosage forms.

The Company has seven (7) subsidiaries. The Group's corporate structure is as follows:



**Note:**

- \* *Carotech was approved for listing on the MESDAQ Market of Bursa Securities by the SC on 6 August 2004 and 9 November 2004, and Bursa Securities on 10 August 2004 and 10 November 2004. Upon completion of the Proposed Listing of Carotech, Hovid will hold 51.1% equity interest in Carotech.*

In addition to manufacturing its own products, the Group also manufactures nutritional supplements and pharmaceuticals on contract manufacture basis for private labels.

The Company's manufacturing facilities and practices in respect of its pharmaceutical products conform with the PIC/S' GMP and Good Laboratory Practice standards. The Group's products are marketed in more than thirty (30) countries worldwide, in Asia, Africa, Oceania, the US, Canada and Central America. The Company is also an approved supplier to UNRWA's drugs procurement programme.

The Group's head office and manufacturing plants are located in Ipoh, Perak Darul Ridzuan, Malaysia. The Group also has overseas offices in Singapore, the Philippines and the US, where the Company's subsidiaries, HYH Sg, H Inc and C Inc are respectively established. In Malaysia, the distribution network is managed by H Pharmacy, which functions as the distribution arm for the Group's pharmaceutical and consumer products.

The Group's customers include government agencies, medical practitioners, hospitals, clinics, drug distributors, institutional healthcare centres, pharmacies, traditional drug stores and consumer retail operators in Malaysia and worldwide.

## 5. INFORMATION ON THE GROUP (CONTINUED)

### 5.1.1 Share capital

As of the date of this prospectus, the Company has an authorised share capital of RM50,000,000 comprising 100,000,000 Shares and an issued and paid-up share capital of RM41,230,000 comprising 82,460,000 Shares. Upon completion of the Public Issue, the enlarged issued and paid-up share capital of the Company shall be RM47,630,000 comprising 95,260,000 Shares.

The details of the changes in the issued and paid-up share capital of the Company since incorporation until the date of this prospectus are as follows:

Date of allotment	Number of shares allotted	Nominal value (RM)	Type of issue and consideration	Total issued and paid-up capital (RM)
20.05.1980	2	1.00	Subscriber shares	2
01.07.1980	29,998	1.00	Cash	30,000
19.09.1980	270,000	1.00	In satisfaction of purchase price of the properties	300,000
15.06.1988	300,000	1.00	Bonus issue on the basis of one (1) new ordinary share for every one (1) existing ordinary share held in the Company	600,000
22.03.1990	200,000	1.00	Bonus issue on the basis of one (1) new ordinary share for every three (3) existing ordinary shares held in the Company	800,000
22.04.1992	400,000	1.00	Bonus issue on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held in the Company	1,200,000
17.07.1998	2,400,000	1.00	Bonus issue on the basis of two (2) new ordinary shares for every one (1) existing ordinary share held in the Company	3,600,000
20.11.2003	286,000	1.00	Renounceable rights issue on the basis of approximately one (1) new ordinary share for every thirteen (13) existing ordinary shares held in the Company	3,886,000
17.11.2004	11,950,931	1.00	Issued pursuant to the Acquisition of Carotech I and Acquisition of Carotech II	15,836,931
01.12.2004	4,257,967	1.00	Issued pursuant to the Acquisitions with the exception of Acquisition of Carotech I and Acquisition of Carotech II	20,094,898
01.12.2004	21,135,102	1.00	Bonus Issue on the basis of 1.05 new ordinary shares for every one (1) existing ordinary share held in the Company	41,230,000
01.12.2004	-	0.50	Share Split	41,230,000

## 5. INFORMATION ON THE GROUP (CONTINUED)

### 5.1.2 Subsidiaries and Associated Company

As of the date of this prospectus, Hovid has seven (7) subsidiaries, the details of which are as follows:

Name	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest held by the Company	Principal activity
H Pharmacy	16 June 1981, Malaysia	RM1,212,200	100.0%	Trading of medical supplies, pharmaceutical and consumer products
H Marketing	12 February 1998, Malaysia	RM2	100.0%	General trading (presently dormant)
Javid	21 February 1997, Malaysia	RM100	100.0%	Dealers in all kinds of pharmaceutical, medicated herbs & nutritional products & land development (presently dormant)
Carotech	16 July 1990, Malaysia	RM20,840,000	69.9%*	Extraction and processing of nutrients from palm oil for the purpose of manufacturing and producing pharmaceutical, phytonutrient and oleochemical products
HYH Sg	10 April 1978, Singapore	SGD50,000	80.0%	Wholesalers, distributors, agents of and dealers in all kinds of pharmaceutical products, embrocation oil, herbal tea and Chinese patented medicines
H Inc	22 March 2002, the Philippines	Peso 10,223,800	100.0%	Trading, importation and distribution of pharmaceutical, products
C Inc	8 October 1999, the US	USD97,500	69.9%*	Sales agency & marketing of pharmaceutical, phytonutrient and oleochemical products

**Note:**

\* Carotech was approved for listing on the MESDAQ Market of Bursa Securities by the SC on 6 August 2004 and 9 November 2004, and Bursa Securities on 10 August 2004 and 10 November 2004. Upon completion of the Proposed Listing of Carotech, Hovid will hold 51.1% equity interest in Carotech.

As of the date of this prospectus, the Company does not have any associated company.

**5. INFORMATION ON THE GROUP (CONTINUED)****5.2 INFORMATION ON SUBSIDIARIES****5.2.1 H Pharmacy****(a) Background**

H Pharmacy was incorporated on 16 June 1981 in Malaysia. Its principal activity is the trading of medical supplies, pharmaceutical and consumer products.

**(b) Share capital**

As of the date of this prospectus, H Pharmacy has an authorised share capital of RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, and an issued and paid-up share capital of RM1,212,200 comprising 1,212,200 ordinary shares of RM1.00 each.

The details of the changes in the issued and paid-up share capital of H Pharmacy since incorporation until the date of this prospectus are as follows:

<b>Date of allotment</b>	<b>Number of shares allotted</b>	<b>Nominal value (RM)</b>	<b>Type of issue and consideration</b>	<b>Total issued and paid-up capital (RM)</b>
16.06.1981	2	1.00	Subscriber's shares for cash	2
22.06.1981	49,998	1.00	Cash	50,000
30.07.1981	22,000	1.00	Cash	72,000
10.11.1981	20,000	1.00	Cash	92,000
03.04.1982	45,000	1.00	Cash	137,000
28.04.1992	68,500	1.00	Bonus issue on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held in the Company	205,500
28.04.1992	70,000	1.00	Cash	275,500
29.08.1995	27,550	1.00	Cash	303,050
07.01.2000	909,150	1.00	Bonus issue on the basis of three (3) new ordinary shares for every one (1) existing ordinary share held in the Company	1,212,200

**(c) Substantial shareholder**

H Pharmacy is a wholly-owned subsidiary of the Company.

**(d) Subsidiaries and associated companies**

As of the date of this prospectus, H Pharmacy does not have any subsidiary or associated company.

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**5. INFORMATION ON THE GROUP (CONTINUED)**


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**5.2.2 H Marketing****(a) Background**

H Marketing was incorporated on 12 February 1998 in Malaysia. Its principal activity is general trading (presently dormant).

**(b) Share capital**

As of the date of this prospectus, H Marketing has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, and an issued and paid-up share capital of RM2.00 comprising two ordinary shares of RM1.00 each.

The details of the changes in the issued and paid-up share capital of H Marketing since incorporation until the date of this prospectus are as follows:

Date of allotment	Number of shares allotted	Nominal value (RM)	Type of issue and consideration	Total issued and paid-up capital (RM)
12.02.1998	2	1.00	Subscribers' shares for cash	2

**(c) Substantial shareholder**

H Marketing is a wholly-owned subsidiary of the Company.

**(d) Subsidiaries and associated companies**

As of the date of this prospectus, H Marketing does not have any subsidiary or associated company.

**5.2.3 Javid****(a) Background**

Javid was incorporated on 21 February 1997 in Malaysia. Its principal activity is as dealers in all kinds of pharmaceutical, medicated herbs and nutritional products, and land development (presently dormant).

**(b) Share capital**

As of the date of this prospectus, Javid has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, and an issued and paid-up share capital of RM100 comprising 100 ordinary shares of RM1.00 each.

The details of the changes in the issued and paid-up share capital of Javid since incorporation until the date of this prospectus are as follows:

Date of allotment	Number of shares allotted (RM)	Nominal value	Type of issue and consideration	Total issued and paid-up capital (RM)
21.02.1997	2	1.00	Subscriber shares for cash	2
01.07.1998	98	1.00	Cash	100

**(c) Substantial shareholder**

Javid is a wholly-owned subsidiary of the Company.

## 5. INFORMATION ON THE GROUP (CONTINUED)

### (d) Subsidiaries and associated companies

As of the date of this prospectus, Javid does not have any subsidiary or associated company.

### 5.2.4 Carotech

#### (a) Background

Carotech was incorporated on 16 July 1990 in Malaysia. Its principal activities are the extraction and processing of nutrients from palm oil for the purpose of manufacturing and producing pharmaceutical, phytonutrient and oleochemical products.

The Proposed Listing of Carotech was approved by:

- (a) Bursa Securities on 10 August 2004 and 10 November 2004;
- (b) the SC and the SC (on behalf of the FIC) on 6 August 2004 and 9 November 2004; and
- (c) the MITI on 17 May 2004 and 27 September 2004.

The SC, had on 25 February 2005, approved an extension of up to 10 May 2005 to complete the Proposed Listing of Carotech.

In conjunction with its proposed listing, Carotech is undertaking a public issue of 76,690,000 new ordinary shares of RM0.10 each representing 26.9% of the enlarged issued and paid-up share capital of Carotech.

#### (b) Share capital

As of the date of this prospectus, the Company has an authorised share capital of RM50,000,000 comprising 500,000,000 ordinary shares of RM0.10 each, and an issued and paid-up share capital of RM20,840,000 comprising 208,400,000 ordinary shares of RM0.10 each. Upon completion of the Proposed Listing of Carotech, the enlarged issued and paid-up share capital shall be RM28,509,000 comprising 285,090,000 ordinary shares of RM0.10 each.

The details of the changes in the issued and paid-up share capital of Carotech since incorporation until the date of this prospectus are as follows:

Date of allotment	Number of shares allotted	Nominal value (RM)	Type of issue and consideration	Total issued and paid-up capital (RM)
16.07.1990	2	1.00	Subscriber shares for cash	2
28.09.1993	444,788	1.00	Cash	444,790
28.09.1993	400,000	1.00	Assignment of patent right from Carotech Associates USA to Carotech for the amount of RM400,000 in exchange for shares	844,790
22.10.1993	155,210	1.00	Cash	1,000,000
07.03.1997	1,000,000	1.00	Allotment other than cash	2,000,000
12.02.1998	1,000,000	1.00	Allotment other than cash	3,000,000

**5. INFORMATION ON THE GROUP (CONTINUED)**

Date of allotment	Number of shares allotted	Nominal value (RM)	Type of issue and consideration	Total issued and paid-up capital (RM)
25.08.1998	299,900	1.00	Cash	3,299,900
20.11.2003	132,000	1.00	Renounceable rights issue on the basis of approximately one (1) new ordinary share for approximately twenty five (25) existing shares held	3,431,900
17.11.2004	17,408,100	1.00	Bonus issue on the basis of approximately 5.0724 new shares for every one (1) existing share held	20,840,000
17.11.2004	-	0.10	Share split	20,840,000

**c) Substantial shareholder**

Carotech is a subsidiary of the Company. Hovid holds 145,567,450 ordinary shares of RM0.10 each in Carotech, constituting a 69.9% equity interest in the issued and paid-up ordinary share capital of Carotech. The other substantial shareholders of Carotech are as follows:

Substantial shareholder	Direct		Indirect	
	Number of shares	Percentage of share capital %	Number of shares	Percentage of share capital %
CAV	26,590,320	12.7	-	-
EQL	22,722,250	10.9	-	-
DH	-	-	145,567,450	69.9 <sup>1</sup>
CAHB	-	-	26,590,320	12.7 <sup>2</sup>
ASC	-	-	22,722,250	10.9 <sup>3</sup>

**Notes:**

- 1 Deemed interested pursuant to Section 6A of the Act by virtue of his interest in Hovid.
- 2 Deemed interested pursuant to Section 6A of the Act by virtue of its interest in CAV.
- 3 Deemed interested pursuant to Section 6A of the Act by virtue of its interest in EQL.

**(d) Subsidiaries and associated companies**

As of the date of this prospectus, Carotech has one wholly-owned subsidiary, C Inc. It does not have any associated company.

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**5. INFORMATION ON THE GROUP (CONTINUED)**


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**5.2.5 HYH Sg****(a) Background**

HYH Sg was incorporated on 10 April 1978 in Singapore. Its principal activity is the business of wholesalers, distributors, agents of and dealers in all kinds of pharmaceutical products, embrocation oil, herbal tea and Chinese patented medicines.

**(b) Share capital**

As of the date of this prospectus, HYH Sg has an authorised share capital of SGD100,000 comprising 100,000 ordinary shares of SGD1.00 each, and an issued and paid-up share capital of SGD50,000 comprising 50,000 ordinary shares of SGD1.00 each.

The details of the changes in the issued and paid-up share capital of HYH Sg since incorporation until the date of this prospectus are as follows:

<b>Date of allotment</b>	<b>Number of shares allotted</b>	<b>Nominal value (SGD)</b>	<b>Type of issue and consideration</b>	<b>Total issued and paid-up capital (SGD)</b>
10.04.1978	2	1.00	Subscriber shares for cash	2
05.05.1978	9,998	1.00	Cash	10,000
05.05.1978	10,000	1.00	Cash	20,000
02.06.1988	30,000	1.00	Cash	50,000

**(c) Substantial shareholder**

Hovid holds 80% of the issued ordinary share capital of HYH Sg. The remaining 20% is held by the late mother of DH, Koo Soon Lien.

**(d) Subsidiaries and associated companies**

As of the date of this prospectus, HYH Sg does not have any subsidiary or associated company.

**5.2.6 H Inc****(a) Background**

H Inc was incorporated on 22 March 2002 in the Philippines. Its principal activity is the trading, importation and distribution of pharmaceutical products.

**(b) Share capital**

As of the date of this prospectus, H Inc has an authorised share capital of Peso 10,223,800 comprising 102,238 ordinary shares of Peso 100 each, and an issued and paid-up share capital of Peso 10,223,800 comprising 102,238 ordinary shares of Peso 100 each.



**5. INFORMATION ON THE GROUP (CONTINUED)**

The details of the changes in the issued and paid-up share capital of H Inc since incorporation until the date of this prospectus are as follows:

<b>Date of allotment</b>	<b>Number of shares allotted</b>	<b>Nominal value (Peso)</b>	<b>Type of issue and consideration</b>	<b>Total issued and paid-up capital (Peso)</b>
22.03.2002	102,238	100	Subscriber shares for cash	10,223,800

**(c) Substantial shareholder**

H Inc is a wholly-owned subsidiary of the Company.

**(d) Subsidiaries and associated companies**

As of the date of this prospectus, H Inc does not have any subsidiary or associated company.

**5.2.7 C Inc****(a) Background**

C Inc was incorporated on 8 October 1999 in the US. Its principal activity is that of a sales agency and marketing of pharmaceutical, phytonutrient and oleochemical products.

**(b) Share capital**

As of the date of this prospectus, C Inc has an authorised share capital of 2,500 common shares, and an issued and paid-up share capital of USD97,500 comprising 975 common shares.

The details of the changes in the issued and paid-up share capital of C Inc since incorporation until the date of this prospectus are as follows:

<b>Date of allotment</b>	<b>Number of shares allotted</b>	<b>Nominal value (USD)</b>	<b>Type of issue and consideration</b>	<b>Total issued and paid-up capital (USD)</b>
30.06.2000	975	-	Cash	97,500

**(c) Substantial shareholder**

C Inc is a wholly-owned subsidiary of Carotech, which in turn is a subsidiary of the Company.

**(d) Subsidiaries and associated companies**

As of the date of this prospectus, C Inc does not have any subsidiary or associated company.

## 5. INFORMATION ON THE GROUP (CONTINUED)

### 5.3 LISTING EXERCISE

As a prelude to, and as an integral part of the Listing, the Company implemented the Listing Exercise, which was approved by the SC and the SC on behalf of the FIC on 26 October 2004, and the MITI on 24 May 2004 and 23 September 2004. The Listing Exercise involved the following transactions:

#### (i) Stage 1 – Revaluation

Hovid revalued its landed properties to the current market price and intends to capitalize the total revaluation surplus of RM4,850,868 (net of deferred tax) arising from the said revaluation exercise into its audited financial statements for the FYE 30 June 2005.

The landed properties of Hovid were revalued by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd, a firm of independent professional valuers, on 30 October 2003 using the comparative and investment methods of valuation, where applicable.

Details of the landed properties are set out below:

Details of landed properties	Audited net book value as at 30 June 2003 RM	Open market value as ascertained by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd RM	Revaluation surplus RM
Freehold land and building (Lot 7238) located at 19, Laluan Kangsar 7, Off Jalan Tunku Abdul Rahman (formerly known as Jalan Kuala Kangsar), 30010 Ipoh	247,051	270,000	22,949
Freehold land and building (Lot 56442) located at Mukim of Hulu Kinta, District of Kinta, Perak	9,707,022	15,500,000	5,792,978
Total	9,954,073	15,770,000	5,815,927
Deferred tax			(965,059)
Revaluation surplus (net of deferred tax)			4,850,868

#### (ii) Stage 2 – Disposal

On 22 December 2003 and 21 June 2004, Hovid entered into a sale and purchase agreement and a supplemental agreement respectively, with Carotech for the disposal of an unsubdivided portion measuring approximately 13.51 acres of a parcel of freehold land held under GRN6107, Lot 56442, Mukim Hulu Kinta, Daerah Kinta, Perak, together with the buildings thereon bearing the postal address of Lot 56442, 7½ mile Jalan Ipoh/Chemor, 31200 Chemor, Perak Darul Ridzuan to Carotech, for a total cash consideration of RM5,710,000.

The purchase consideration of RM5,710,000 for the Disposal was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the market value of the freehold land and buildings of RM5,710,000 as assessed by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd, an independent registered valuer. Based on the independent valuation report prepared by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd on 30 October 2003, the market value of the freehold land and buildings was arrived at using the cost and investment methods of valuation.

The above property was disposed by Hovid free from all charges and encumbrances.

The Disposal was completed on 17 November 2004.

## 5. INFORMATION ON THE GROUP (CONTINUED)

### (iii) Stage 3 – Acquisitions

Upon completion of the Disposal, Hovid carried out the following acquisitions:

- (a) On 15 November 2003, Hovid entered into a sale and purchase agreement with HYH, DH, Liong Kam Hon, Choong Foo Wah, EQL, Goh Tian Hock and Jacqueline Judith East for the acquisition of:

- (i) the entire issued and paid-up capital of H Pharmacy comprising 1,212,200 shares from HYH for a total consideration of RM3,034,345 satisfied through the issuance of 3,034,345 new shares of RM1.00 each in Hovid issued at par.

The purchase consideration of RM3,034,345 for the Acquisition of H Pharmacy was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the adjusted audited NTA of H Pharmacy as at 30 June 2003 of RM3,122,718 after adjusting for the revaluation surplus of RM30,966 arising from the valuation of the factory lands and buildings of RM4,305,000 as assessed by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd as well as the write-back of deferred tax on the revaluation surplus amounting to RM79,701. Based on the independent valuation report prepared by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd on 30 October 2003, the market value of the factory lands and buildings was arrived at using the comparison, investment and cost methods of valuation.

The adjusted audited NTA of H Pharmacy was derived as follows:

	RM	RM
Audited NTA as at 30 June 2003		3,012,051
<i>Add:</i> Revaluation surplus on valuation of landed property		
Open market value based on the valuation by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd	4,305,000	
<i>Less:</i> Net book value of landed property as at 30 June 2003	<u>(4,274,034)</u>	
		30,966
<i>Add:</i> Write-back of deferred tax		<u>79,701</u>
<b>Adjusted NTA</b>		<b><u>3,122,718</u></b>

The entire issued and paid-up capital of H Pharmacy was acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of H Pharmacy.

The Acquisition of H Pharmacy was completed on 1 December 2004.

- (ii) the entire issued and paid-up share capital of H Inc comprising 102,238 ordinary shares of PESO100 each from HYH for a total consideration of RM460,344 satisfied through the issuance of 460,344 new shares of RM1.00 each in Hovid issued at par.

The purchase consideration of RM460,344 for the Acquisition of H Inc was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the audited NTA of H Inc as at 30 June 2003 of PESO6,891,371 (equivalent to approximately RM460,344 based on an exchange rate of RM6.68 to PESO100).

**5. INFORMATION ON THE GROUP (CONTINUED)**

The entire issued and paid-up capital of H Inc was acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of H Inc.

The Acquisition of H Inc was completed on 1 December 2004.

- (iii) 1,587,078 ordinary shares of RM1.00 each in Carotech representing approximately 46.2% of the enlarged equity interest therein from HYH for a total consideration of RM9,235,328 satisfied through the issuance of 9,235,328 new shares of RM1.00 each in Hovid issued at par.

The purchase consideration of RM9,235,328 for the Acquisition of Carotech I was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the adjusted consolidated audited NTA of the Carotech as at 30 June 2003 of RM19,970,489 after adjusting for the renounceable rights issue carried out by Carotech on 20 November 2003, as set out below:

	RM
Audited NTA as at 30 June 2003	19,838,489
Add: Renounceable rights issue*	132,000
	<u>19,970,489</u>

**Note:**

- \* On 20 November 2003, Carotech completed a renounceable rights issue of 132,000 new shares of RM1.00 each in Carotech at an issue price of RM1.00 per share.

The 1,587,078 shares of RM1.00 each in Carotech to be acquired pursuant to the Acquisition of Carotech I are to be acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of Carotech I.

The Acquisition of Carotech I was completed on 17 November 2004.

Pursuant to the said sale and purchase agreement, in consideration of HYH transferring to the Company the legal and beneficial title of the said shares in H Pharmacy, H Inc and Carotech, Hovid issued a total of 12,730,017 new shares of RM1.00 each in Hovid, credited as fully paid-up, to the shareholders of HYH in the proportions set out below:

Shareholders of HYH	No. of Hovid shares received
DH	10,918,392
Liong Kam Hon	331,962
Choong Foo Wah	165,981
EQL	1,232,030
Goh Tian Hock	81,650
Jacqueline Judith East	2
<b>Total</b>	<u><b>12,730,017</b></u>

The shareholders of HYH will pay HYH a sum equal to the par value of the new shares of RM1.00 each in Hovid to be issued to them as set out in the table above.

**5. INFORMATION ON THE GROUP (CONTINUED)**

- (b) On 22 December 2003, Hovid entered into a sale and purchase agreement with HYH, CAV, DH, Leong Weng Hoong and EQL for the acquisition of 674,105 ordinary shares of RM1.00 each in Carotech for a total consideration of RM3,922,669 satisfied through the issuance of 2,259,709 new shares of RM1.00 each in Hovid issued at approximately RM1.74 per share.

The purchase consideration of RM3,922,669 for the Acquisition of Carotech II was arrived at based on a willing-buyer, willing-seller basis after taking into consideration, among other factors, the adjusted consolidated audited NTA of the Carotech as at 30 June 2003 of RM19,970,489 after adjusting for the renounceable rights issue carried out at Carotech on 20 November 2003 (as set out in paragraph (a)(iii) above).

On 24 August 2004, Hovid entered into a supplemental agreement to acquire an additional 136,000 shares in the Company from CAV and HYH, respectively, representing 4.1% of the equity interest therein for a total consideration of RM791,394 to be satisfied through the issuance of 455,894 new Shares in Hovid issued at approximately RM1.74 per share.

Details of the vendors, the total sale shares and their respective total purchase consideration are set out below:

Vendor	No. of shares in Carotech acquired	Purchase consideration (RM)	No. of Hovid Shares issued
CAV	361,814	2,105,423	1,212,859
DH	80,001	465,532	268,177
Leong Weng Hoong	82,497	480,056	276,543
HYH	285,793	1,663,051	958,024*
<b>Total</b>	<b>810,105</b>	<b>4,714,063</b>	<b>2,715,603</b>

*Note:*

- \* Part of these Shares in Hovid amounting to 958,024 Hovid shares were allotted and issued to EQL in consideration of EQL paying to HYH a sum of RM958,024, which was set off against the cash payable upon redemption of the HYH RCPS.

The 810,105 shares of RM1.00 each in Carotech acquired pursuant to the Acquisition of Carotech II were acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of Carotech II.

The Acquisition of Carotech II was completed on 17 November 2004.

- (c) On 22 December 2003, Hovid entered into a sale and purchase agreement with HYH for the acquisition of a parcel of leasehold land and the buildings erected thereon located at Lot 8811N, No. 121, Jalan Tunku Abdul Rahman (formerly known as Jalan Kuala Kangsar), Ipoh, Perak Darul Ridzuan and a parcel of freehold land and the buildings erected thereon located at Lot 117N, No. 1, Jalan Bijeh Timah, Ipoh, Perak Darul Ridzuan from HYH for a total cash consideration of RM7,450,000.

**5. INFORMATION ON THE GROUP (CONTINUED)**

The purchase consideration of RM7,450,000 for the Acquisition of Land was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the market value of the parcel of lands and the buildings as assessed by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd, an independent registered valuer. Based on the independent valuation report prepared by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd on 30 October 2003, the market value of the parcel was arrived at using the comparative, investment and depreciated replacement cost methods of valuation. The market value for Lot 8811N, No. 121, Jalan Tunku Abdul Rahman (formerly known as Jalan Kuala Kangsar), Ipoh, Perak Darul Ridzuan was assessed to be RM7,260,000, and the market value for Lot 117N, No. 1, Jalan Bijeh Timah, Ipoh, Perak Darul Ridzuan, was assessed to be RM190,000.

The abovementioned property was acquired free from all charges, liens, pledges, and other encumbrances.

The Acquisition of Land was completed on 1 December 2004.

- (d) On 22 December 2003, Hovid entered into a sale and purchase agreement with DH and Chong Soo Seng for the acquisition of 80% of the issued and paid-up share capital of HYH Sg comprising 40,000 ordinary shares of SGD1.00 each from DH and Chong Soo Seng for a total consideration of RM34,304 satisfied through the issuance of 34,304 new shares of RM1.00 each in Hovid issued at par.

The purchase consideration of RM34,304 for the Acquisition of HYH Sg was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the audited NTA of HYH Sg as at 30 June 2003 of approximately RM42,880.

Details of the vendor's shareholdings and their respective purchase consideration are set out below:

Vendor	No. of HYH Sg shares disposed	Purchase consideration (RM)	No. of Hovid shares received
DH	39,999	34,303	34,303
Chong Soo Seng	1	1	1
<b>Total</b>	<b>40,000</b>	<b>34,304</b>	<b>34,304</b>

The issued and paid-up share capital of HYH Sg was acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of HYH Sg.

The Acquisition of HYH Sg was completed on 1 December 2004.

- (e) On 22 December 2003, Hovid entered into a sale and purchase agreement with DH and Jacqueline Judith East for the acquisition of the entire issued and paid-up share capital of Javid comprising 100 ordinary shares of RM1.00 each and the transfer of shareholders' advance due by Javid to DH of RM1,652,973 for a total consideration of RM5,230,255 satisfied through the issuance of 611,967 new shares of RM1.00 each in Hovid issued at approximately RM8.55 per share.

**5. INFORMATION ON THE GROUP (CONTINUED)**

The total purchase consideration of RM5,230,255 for the Acquisition of Javid was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the adjusted audited NTA of Javid as at 30 June 2003 amounting to RM3,397,723 after adjusting for, among others, the revaluation surplus arising from the valuation (net of deferred tax) of its landed properties and the transfer of shareholders advance of RM1,652,973. Based on the independent valuation report prepared by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd on 30 October 2003, the market value of the landed properties was arrived at using the comparison and residual methods of valuation.

The adjusted audited NTA of Javid was derived as follows:

	RM	RM
Audited NTA as at 30 June 2003		(13,906)
<i>Add:</i> Revaluation surplus on valuation of landed property		
Open market value based on the valuation by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd	5,280,000	
<i>Less:</i> Net book value of landed property as at 30 June 2003	<u>(1,688,812)</u>	
		3,591,188
<i>Less:</i> Deferred taxation		<u>(179,559)</u>
Adjusted NTA		3,397,723
Repayment of shareholders' advances		<u>1,652,973</u>
		<b><u>5,050,696</u></b>

Pursuant to the said sale and purchase agreement, Hovid issued 611,967 new shares of RM1.00 each in Hovid, credited as fully paid-up, to the shareholders of Javid in the manner set out below:

Shareholders	No. of Hovid Shares received
DH	607,781
Jacqueline Judith East	<u>4,186</u>
<b>Total</b>	<b><u>611,967</u></b>

The shares in Javid were acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of Javid.

The Acquisition of Javid was completed on 1 December 2004.

- (f) On 22 December 2003, Hovid entered into a sale and purchase agreement with DH and Liong Kam Hon for the acquisition of the entire issued and paid-up share capital in H Marketing for a total consideration of RM2 satisfied through the issuance of two (2) new shares of RM1.00 each in Hovid issued at par.

The purchase consideration of RM2 for the Acquisition of H Marketing was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the audited negative NTA of H Marketing as at 30 June 2003 amounting to RM8,847.

The two (2) shares in H Marketing were acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of H Marketing.

The Acquisition of H Marketing was completed on 1 December 2004.

**5. INFORMATION ON THE GROUP (CONTINUED)**

- (g) On 22 December 2003, Hovid entered into a sale and purchase agreement with DH for the acquisition of a bungalow located at Lot 96, Title No. Pajakan Negeri 2988 (formerly Certificate of Title 3095), Mukim of Ulu Telom, District of Cameron Highlands bearing a postal address of No. 79, Jalan Sungai Palas, Cameron Highlands, Pahang Darul Makmur from DH for a total consideration of RM1,000,000 satisfied through the issuance of 117,005 new shares of RM1.00 each in Hovid issued at approximately RM8.55 per share.

The purchase consideration of RM1,000,000 for the Acquisition of Bungalow was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the market value of the bungalow of RM1,000,000 as assessed by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd, an independent registered valuer. Based on the independent valuation report prepared by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd on 30 October 2003, the market value of the bungalow was arrived at using the comparison and residual methods of valuation.

The abovementioned property was acquired free from all charges, liens, pledges, and other encumbrances.

The Acquisition of Bungalow was completed on 1 December 2004.

Concurrent with the Acquisitions, HYH also redeemed 2,855,593 HYH RCPS previously held by EQL, in consideration for 3,600,000 shares of RM1.00 each in Hovid, representing the remaining shares held by HYH in the Company as at 22 December 2003 and a cash payment of RM701,038, which was set off against part of the money payable by EQL to HYH pursuant to the Acquisition of H Pharmacy, Acquisition of H Inc and Acquisition of Carotech I. Therefore, upon completion of the redemption, HYH no longer holds any share in the Company. The shares in Hovid received as consideration for the redemption of the HYH RCPS are not entitled to the Special Dividend.

The 16,208,898 new shares of RM1.00 each in Hovid issued pursuant to the Acquisitions rank *pari passu* in all respects with the then existing ordinary shares of Hovid and carry all rights to receive in full all dividends and other distribution declared and paid subsequent to the allotment thereof. The said shares are entitled to the Bonus Issue but not the Special Dividend.

Upon completion of the Acquisitions, the issued and fully paid-up share capital of Hovid increased from RM3,886,000 comprising 3,886,000 shares of RM1.00 each to RM20,094,898 comprising 20,094,898 shares of RM1.00 each.

**(iv) Stage 4 – Special Dividend**

Upon completion of the Acquisitions, Hovid declared and paid a special cash dividend amounting to RM8,000,000 in respect of the FYE 30 June 2005 which was paid in the same financial year, to its shareholder, HYH. The new shares in Hovid that were issued pursuant to the renounceable rights issue and pursuant to the Acquisitions were not entitled to the Special Dividend.

The dividend was financed entirely from internally generated funds in Hovid and was paid on 1 December 2004.

**(v) Stage 5 – Bonus Issue**

Upon completion of the Special Dividend, Hovid implemented a bonus issue of 21,135,102 new shares of RM1.00 each to the existing shareholders of Hovid on the basis of approximately 1.05 new shares for every one (1) existing share held in the Company after the Special Dividend by capitalizing the sum of RM21,135,102 from the share premium, retained earnings and asset revaluation reserve of the Company.



**5. INFORMATION ON THE GROUP (CONTINUED)**

The details of the reserves are set out below:

	Audited as at 31 October 2004 (RM)	After Revaluation, Disposal, Acquisitions and Special Dividend (RM)	Available reserves for capitalisation (RM)	Reserves capitalised for the Bonus Issue (RM)
Share premium	935,000	8,434,743	8,434,743	8,434,743
Asset revaluation reserve	67,440	4,918,308	1,764,308*	1,764,308
Retained earnings	28,825,655	19,373,791	19,373,791	10,936,051
<b>Total</b>	<b>29,828,095</b>	<b>32,726,842</b>	<b>29,572,842</b>	<b>21,135,102</b>

**Note:**

\* Balance after retaining RM3,154,000, being 20% of the new valuation amount of the revalued lands and buildings of RM15,770,000.

Fractional shares arising from the Bonus Issue were disregarded and fractional entitlements were aggregated and dealt with on such terms and at such time as the Board deemed fit.

The 21,135,102 new shares of RM1.00 each in Hovid issued pursuant to the Bonus Issue rank *pari passu* in all respects with the then existing ordinary shares of Hovid and carry all rights to receive in full all dividends and other distribution declared and paid subsequent to the allotment thereof. The said shares were not entitled to the Special Dividend.

Following the completion of the Bonus Issue, the issued and paid-up share capital of Hovid increased from RM20,094,898 comprising 20,094,898 shares of RM1.00 each in Hovid to RM41,230,000 comprising 41,230,000 shares of RM1.00 each in Hovid.

The Bonus Issue was completed on 1 December 2004.

**(vi) Stage 6 – Share Split**

Upon completion of the Bonus Issue, Hovid undertook a share split pursuant to which its existing ordinary shares of RM1.00 each were subdivided into two (2) ordinary shares of RM0.50 each. Following the completion of the Share Split, the issued and paid up share capital of Hovid changed from RM41,230,000 comprising 41,230,000 shares of RM1.00 each to RM41,230,000 comprising 82,460,000 Hovid Shares.

The Share Split was completed on 1 December 2004.

**(vii) Stage 7 – Offer for Sale**

In conjunction with the Listing, 24,177,000 Hovid Shares representing approximately 25.4% of the enlarged issued and paid-up share capital of Hovid will be offered for sale to the Bumiputera investors nominated and approved by the MITI at the Offer Price of RM1.76 per Share subject to the terms and conditions of the prospectus by the following shareholders:

Name	No. of Offer Shares	% of the enlarged share capital
CAV	4,977,000	5.2%
EQL	19,200,000	20.2%
<b>Total</b>	<b>24,177,000</b>	<b>25.4%</b>

## 5. INFORMATION ON THE GROUP (CONTINUED)

At least 11,015,000 Offer Shares, representing 11.6% of the enlarged issued and paid-up share capital, of the Offer Shares, will be offered to Bumiputera investors who are considered members of the public as defined under the Listing Requirements in order to meet the public spread requirement.

### (viii) Stage 8 – Public Issue

In conjunction with the Listing, Hovid proposes to undertake a public issue of 12,800,000 new Hovid Shares, representing approximately 13.4% of the enlarged issued and paid-up share capital of Hovid, at an Issue Price of RM1.76 per Share in the following manner:

- (a) 2,350,000 new Hovid Shares representing approximately 2.5% of the enlarged share capital of 95,260,000 Hovid Shares have been reserved for eligible directors and employees of the Group as well as other persons contributing to the success of the Group;
- (b) 4,450,000 Hovid Shares representing approximately 4.5% of the enlarged share capital of 95,260,000 Hovid Shares have been reserved for Bumiputera investors nominated and approved by the MITI; and
- (c) 6,000,000 Hovid Shares representing approximately 6.3% of the enlarged share capital of 95,260,000 Hovid Shares are available for application by the Malaysian public, companies, societies, co-operatives and institutions.

Upon completion of the Public Issue, the issued and paid up share capital of Hovid will increase from RM41,230,000 comprising 82,460,000 Hovid Shares to RM47,630,000, comprising 95,260,000 Hovid Shares.

30% of the Hovid Shares reserved for the general public and the placement to institutions/individual investors, are provisionally allocated to Bumiputera institutions/investors at the point of Listing.

All the Issue Shares shall rank *pari passu* in all respects with the existing issued Hovid Shares of the Company including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of the allotment thereof.

### (ix) Stage 9 – Listing

Upon completion of Stages 1 to 8 above, Hovid will seek the listing of and quotation for its entire enlarged issued and paid-up share capital of 95,260,000 Hovid Shares on the Second Board of Bursa Securities.

## 5.4 INFORMATION CONCERNING THE PROPOSED LISTING OF CAROTECH

### 5.4.1 Introduction

Carotech, a subsidiary of Hovid, had on 30 December 2003, applied to the authorities for approval for its listing on the MESDAQ Market of Bursa Securities. The Proposed Listing of Carotech was approved by:

- (a) Bursa Securities on 10 August 2004 and 10 November 2004;
- (b) the SC and the SC (on behalf of the FIC) on 6 August 2004 and 9 November 2004;
- (c) the MITI on 17 May 2004 and 27 September 2004;
- (d) the shareholders of Carotech on 15 November 2003; and
- (e) the shareholders of Hovid on 15 November 2003.

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**5. INFORMATION ON THE GROUP (CONTINUED)**


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**5.4.2 Details of the Proposed Listing of Carotech**

As an integral part of the Proposed Listing of Carotech, the following stages were undertaken:

**Stage 1 - Acquisition**

On 22 December 2003, Carotech entered into a sale and purchase agreement with Hovid for the acquisition of an unsubdivided portion measuring approximately 13.51 acres of a parcel of freehold land held under GRN 6107, Lot 56442, Mukim Hulu Kinta, Daerah Kinta, Perak, together with the buildings thereon from Hovid, for a total cash consideration of RM5,710,000.

The purchase consideration of RM5,710,000 for the acquisition was arrived at on a willing-buyer willing-seller basis after taking into consideration, among others, the market value of the land and buildings thereon of RM5,710,000 as assessed by an independent registered valuer. Based on the independent valuation report prepared on 30 October 2003, the market value of the land and buildings was arrived at using the cost and investment methods of valuation.

The abovementioned properties were acquired by the Carotech Group free from all charges, liens and encumbrances and the acquisition was completed on 7 October 2004.

**Stage 2 - Acquisition by Hovid**

On 15 November 2003, Hovid entered into a sale and purchase agreement with HYH, DH, Liong Kam Hon, Choong Foo Wah, Jacqueline Judith East, Goh Tian Hock and EQL for the acquisition of, *inter alia*, 1,587,078 ordinary shares of RM1.00 each in Carotech from HYH for a total consideration of RM9,235,328 which was satisfied through the issuance of 9,235,328 new shares of RM1.00 each in Hovid issued at par. These 9,235,328 new Hovid shares of RM1.00 each were issued to the shareholders of HYH in proportion to their respective shareholdings in HYH.

The purchase consideration of RM9,235,328 for the acquisition by Hovid was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the adjusted audited NTA of the Carotech Group as at 30 June 2003 of RM19,970,489 after adjusting for the renounceable rights issue carried out by Carotech on 20 November 2003, as set out below:

	<b>RM</b>
Audited NTA as at 30 June 2003	19,838,489
Add: renounceable rights issue*	132,000
	<u>19,970,489</u>

**Note:**

\* On 20 November 2003, Carotech completed a renounceable rights issue of 132,000 new shares of RM1.00 each in Carotech at an issue price of RM1.00 per share.

On 22 December 2003, Hovid entered into a sale and purchase agreement with HYH, CAV, DH, Leong Weng Hoong and EQL for the acquisition of another 674,105 ordinary shares of RM1.00 each in Carotech for a total consideration of RM3,922,669 which was satisfied through the issuance of 2,259,709 new shares of RM1.00 each in Hovid issued at approximately RM1.74 per share.

On 24 August 2004, Hovid entered into a supplemental agreement to acquire an additional 136,000 shares in Carotech from CAV and HYH, respectively, representing 4.1% of the equity interest therein for a total consideration of RM791,394 which was satisfied through the issuance of 455,894 new shares of RM1.00 each in Hovid issued at approximately RM1.74 per share.

**5. INFORMATION ON THE GROUP (CONTINUED)**

Details of the vendors, the total sale shares and their respective total purchase consideration are set out below:

Vendor	No. of Carotech shares acquired	Purchase consideration (RM)	No. of Hovid shares issued
HYH	1,587,078	9,235,328	9,235,328
HYH	285,793	1,663,051	958,024
	1,872,871	10,898,379	10,193,352*
DH	80,001	465,532	268,177
CAV	361,814	2,105,423	1,212,859
Leong Weng Hoong	82,497	480,057	276,543
	2,397,183	13,949,391	11,950,931

**Note:**

- \* Part of these shares in Hovid amounting to 958,024 Hovid shares were allotted and issued to EQL in consideration of EQL paying to HYH a sum of RM958,024, which was set off against the cash payable upon redemption of the HYH RCPS.

The 2,397,183 shares of RM1.00 each in Carotech acquired pursuant to the acquisition by Hovid were acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from 17 November 2004, the date of completion of the acquisition by Hovid.

**Stage 3 - Bonus Issue**

Upon completion of Stage 2, Carotech implemented a bonus issue of 17,408,100 new ordinary shares of RM1.00 each to the then existing shareholders of Carotech on the basis of approximately 5.0724 new ordinary shares of RM1.00 each for every one (1) existing ordinary share of RM1.00 each held in Carotech after Stage 2 via the capitalisation of RM17,408,100 from the reserves as at 30 June 2004 as set out below:

	RM
Share premium	3,667,440
Retained earnings	13,740,660
	<u>17,408,100</u>

Fractional shares arising from the bonus issue were disregarded and fractional entitlements were aggregated and dealt with on such terms as the Board of Carotech deemed fit.

The 17,408,100 new ordinary shares of RM1.00 each in Carotech issued pursuant to the bonus issue ranked *pari passu* in all respects with the then existing ordinary shares of Carotech and carried all rights to receive in full all dividends and other distribution declared and paid subsequent to the allotment thereof.

Following completion of the bonus issue, the issued and paid-up share capital of Carotech increased from RM3,431,900 comprising 3,431,900 ordinary shares of RM1.00 each to RM20,840,000 comprising 20,840,000 ordinary shares of RM1.00 each.

## 5. INFORMATION ON THE GROUP (CONTINUED)

### Stage 4 – Share Split

Upon completion of Stage 3, Carotech undertook a share split pursuant to which its existing ordinary shares of RM1.00 each were subdivided into ten (10) ordinary shares of RM0.10 each. Following the completion of the share split, the issued and paid-up share capital of Carotech changed from RM20,840,000 comprising 20,840,000 ordinary shares of RM1.00 each to RM20,840,000 comprising 208,400,000 ordinary shares of RM0.10 each.

### Stage 5 - Public Issue

In conjunction with the Proposed Listing of Carotech, Carotech will be undertaking a public issue of 76,690,000 new ordinary shares of RM0.10 each, representing approximately 26.9% of the enlarged issued and paid-up share capital of Carotech, at an indicative issue price of RM0.40 per share in the following manner:

- (a) 1,500,000 new ordinary shares of RM0.10 each representing 0.5% of the enlarged share capital of 285,090,000 shares have been reserved for eligible directors and employees of the Carotech Group and Hovid Group and persons who have contributed to the success of the Carotech Group; and
- (b) 75,190,000 new ordinary shares of RM0.10 each representing 26.4% of the enlarged share capital of 285,090,000 shares have been reserved for Bumiputera investors nominated and approved by the MITI.

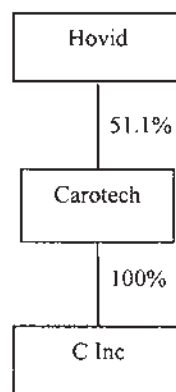
Upon completion of the public issue, the issued and paid-up share capital of Carotech will increase from RM20,840,000 comprising 208,400,000 ordinary shares of RM0.10 each to RM28,509,000 comprising 285,090,000 ordinary shares of RM0.10 each.

All the shares issued pursuant to the public issue shall rank *pari passu* in all respects with the existing shares including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of the allotment thereof.

### Stage 6 - Listing

Upon completion of Stages 1 to 5 above, Carotech will seek the listing of and quotation for its entire enlarged issued and paid up share capital of 285,090,000 ordinary shares of RM0.10 each on the MESDAQ Market of Bursa Securities.

Upon completion of the Proposed Listing of Carotech, the group structure of Carotech will be as follows:



In conjunction with the Proposed Listing of Carotech, HYH will redeem 1,551,185 HYH RCPS by transferring from HYH, 374,187 ordinary shares of RM1.00 each in Carotech and a cash consideration of RM958,024 to EQL, the holder of the HYH RCPS.

## 5. INFORMATION ON THE GROUP (CONTINUED)

### 5.4.3 Utilisation of Proceeds

The Board of Carotech expects the total gross proceeds from the public issue of Carotech to amount to approximately RM30,676,000. The proceeds shall accrue to Carotech and Carotech shall bear all expenses relating to the listing of and quotation for its entire issued and paid-up share capital on the MESDAQ Market of Bursa Securities.

The proceeds from the public issue of Carotech of RM30,676,000 are expected to be fully utilised for the core business of the Carotech Group as follows:

Details of utilisation	Notes	Amount RM'000
Repayment of borrowings	(i)	12,000
Working capital	(ii)	17,176
Estimated listing expenses		1,500
		30,676

**Notes:**

- (i) *The borrowings to be repaid are borrowings being incurred for the plant expansion (including the acquisition pursuant to Stage 1 above) and is planned to be repaid within six (6) months from the receipt of the public issue proceeds. The plant expansion commenced in October 2003 and was commissioned in September 2004. The expansion is currently being funded by borrowings and internally generated funds. As at 31 January 2005, the total borrowings outstanding of the Carotech Group are RM27.9 million. For illustration and based on the prevailing average interest rate of approximately 6.0%, the Carotech Group is expected to have an interest savings of approximately RM1.7 million per annum upon completion of the Proposed Listing of Carotech.*
- (ii) *The public issue proceeds earmarked for working capital will be utilised within 18 months from the receipt of the funds to acquire raw materials and fund production expenses for the increase in capacity and anticipated increase in demand. In this respect, Carotech has earmarked approximately RM12.8 million for the purchase of raw materials and approximately RM4.4 million for production expenses. The public issue proceeds earmarked for working capital would allow Carotech to reduce its existing trade facility borrowings. As at 31 January 2005, the total trade facility borrowings outstanding of the Carotech Group are RM9.1 million.*

### 5.4.4 Information on Carotech

Carotech was incorporated in Malaysia as Carotech Sdn Bhd, a private limited company under the Act, on 16 July 1990. On 5 December 2003, it converted into a public limited company and assumed its present name. As at the date of this prospectus, Carotech has an authorised share capital of RM50,000,000 comprising ordinary shares of RM0.10 each and an issued and paid-up share capital of RM20,840,000 comprising 208,400,000 ordinary shares of RM0.10 each.

The principal activities of Carotech are the extraction and processing of nutrients from palm oil for the purpose of manufacturing and producing pharmaceutical, phytonutrient and oleochemical products.

Carotech has one (1) subsidiary, namely C Inc, which was incorporated in the US on 8 October 1999. All of C Inc's current issued and paid-up share capital of USD97,500 divided into 975 common shares is presently held by Carotech. C Inc is primarily the sales agency and marketing division of Carotech's pharmaceutical, phytonutrient and oleochemical products for the US market.

## 5. INFORMATION ON THE GROUP (CONTINUED)

Carotech is a 69.9%-owned subsidiary of Hovid. It owns and operates an integrated plant for the commercial extraction of, inter alia, tocotrienol complex, mixed carotene complex and phytosterols from palm oil through a patented process involving a sophisticated and specialised high vacuum-low temperature distillation technology. The plant was commissioned and full production commenced in 1995, and the Company has since carved a niche as one of the world's leading suppliers of palm tocotrienols with the US, Europe, Japan and Australia making up its main markets.

Carotech currently produces five (5) products, comprising three (3) main phytonutrient products, and two (2) co-products that are co-produced during the extraction process.

Carotech's three (3) main products are:

- (a) a full-spectrum tocotrienol complex product marketed under the brand name "Tocomin";
- (b) a mixed carotene complex product marketed under the brand name "Caromin"; and
- (c) phytosterol products,

in forms ranging from concentrated oil suspension, beadlets, water-dispersible powders and emulsions. These three (3) main phytonutrient products are produced to the specific needs and requirements of clients, and are mainly used in dietary supplements, pharmaceutical products, functional food and beverage products, and cosmetic and personal care applications.

Carotech's two (2) co-products are:

- (a) refined palm fatty acid methyl ester; and
- (b) crude glycerine.

These two (2) co-products are used mainly in the production of down-stream oleochemical products such as fatty alcohol and refined glycerine.

The integrated process used by Carotech is a technology for which a patent was granted and registered in Malaysia. This patent has also been registered in several other jurisdictions.

Further details of Carotech are set out in **Section 5.2.4**.

### 5.4.5 Rationale for the Proposed Listing of Carotech

Both Hovid and Carotech are engaged in different segments of the pharmaceutical industry, with Hovid being principally engaged in the manufacturing of pharmaceutical and herbal products, whilst Carotech is involved in the extraction and processing of nutrients from palm oil for the purpose of manufacturing and producing pharmaceutical, phytonutrient and oleochemical products.

Operationally, the separate listing of both Hovid and Carotech would allow both companies to pursue their respective growth, business and financing strategies in the future, thus allowing these groups of companies to unlock their values within their respective groups. The Proposed Listing of Carotech would also provide an opportunity for the Directors and employees of the Carotech Group and the Hovid Group to participate in the equity growth of Carotech as well as to enhance the Carotech Group's profile in Malaysia.

### 5.4.6 Financial Effects of the Proposed Listing of Carotech

#### (a) Share Capital and Substantial Shareholder/Shareholding Structure

The Proposed Listing of Carotech will not have any effects on the issued and paid-up share capital of Hovid and will not result in any changes to the shareholdings of the substantial shareholder of Hovid and/or the shareholding structure of Hovid.

## 5. INFORMATION ON THE GROUP (CONTINUED)

### (b) NTA

The effects of the Proposed Listing of Carotech on the NTA of Hovid is shown in the Proforma Consolidated Balance Sheets of the Hovid Group as at 31 October 2004 which is set out in **Section 9.10** of this prospectus.

### (c) Earnings

Hovid will realise a gain of approximately RM9.7 million from the Proposed Listing of Carotech as a result of the reduction of Hovid's interest in Carotech from 69.9% to 51.1%. The Proposed Listing of Carotech is anticipated to be completed by the first quarter of 2005. Upon completion of the Proposed Listing of Carotech, the earnings of the Hovid Group will exclude the profit contribution from the business activities of Carotech to the extent of Hovid's lower effective equity interest in Carotech from 69.9% to 51.1%.

#### 5.4.7 Directors and/or Substantial Shareholders' Interests

None of the Directors of Hovid, nor substantial shareholders of Hovid, and/or persons connected to them, has any interest, whether directly or indirectly, in the Proposed Listing of Carotech save for the following:

- (a) Pursuant to the Proposed Listing of Carotech, DH, the Managing Director of Carotech and Hovid, has been allocated 182,000 ordinary shares of RM0.10 each representing approximately 0.1% of the issued and paid-up share capital of Carotech based on his contribution to the Carotech Group, designation and length of service.

#### 5.4.8 Approvals Required

The Proposed Listing of Carotech is subject to the approvals of the following regulatory authorities:

Authority	Date granted	Conditions	Status of compliance
Bursa Securities	10 August 2004	(i) Carotech to obtain the necessary licence from Malaysian Palm Oil Board prior to the issuance of its prospectus;	Obtained on 14 April 2004 and 8 July 2004.
		(ii) Carotech to inform Bursa Securities on the appointment of Independent Directors and to provide confirmation that they qualify as Independent Directors as defined in the Listing Requirements;	Confirmed on 14 December 2004.
		(iii) Carotech and Advisers to provide confirmation that the members of the Audit Committee comply with the relevant requirement in the Listing Requirements; and	Confirmed on 14 December 2004.
		(iv) Disclosure of the profit forecast in the prospectus as proposed by the Directors of Carotech	To be complied with.
	10 November 2004	(i) Disclosure on the working capital be expended to include breakdown of the specific expenditure for raw materials and production expenses;	To be disclosed.



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**5. INFORMATION ON THE GROUP (CONTINUED)**


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Authority	Date granted	Conditions	Status of compliance
		(ii) In relation to the Managing Director contract entered into after the approval of the Listing proposal, conditions are as follows: <ul style="list-style-type: none"> <li>• The terms of employment of the Managing Director shall be limited to three (3) years;</li> <li>• The deletion of Clauses 12,14.1(b) and 15 in the Managing Director contract; and</li> <li>• To ensure the salient terms of the Managing Director contract are made available in the prospectus.</li> </ul>	Amended by the supplemental agreement dated 17 November 2004.  Deleted in the supplementary agreement dated 17 November 2004.  To be disclosed.
		(iii) All other terms and conditions stipulated in the approval letter dated 10 August 2004 remain unchanged.	Noted.
SC and SC (on behalf of FIC)	6 August 2004	(i) With regard to the property which is part of Lot 56442, Mukim Hulu Kinta, Dacrah Kinta Perak: <ul style="list-style-type: none"> <li>(a) Carotech is to provide written confirmation from the relevant building consultant that the store/office, glycerine plant, building, guard house and effluent treatment, plant/switch room are built in accordance with the building by-law;</li> <li>(b) Carotech is to provide undertaking that it will use its best endeavour to obtain Certificate of Fitness / Certificate of Completion for the store, office, glycerine plant building, guard house and effluent treatment plant/switch room and separate document of title within 12 months from the SC's approval;</li> <li>(c) Carotech is to make quarterly announcement on the status of application to Bursa Malaysia; and</li> <li>(d) Carotech is to update the SC on status of the application when such announcements are made to Bursa Malaysia;</li> </ul>	Provided on 14 September 2004.          Provided on 14 September 2004.          To be complied with.   To be complied with.

## 5. INFORMATION ON THE GROUP (CONTINUED)

Authority	Date granted	Conditions	Status of compliance
		(ii) Carotech to submit confirmation that the remittance of Employees Provident Fund contribution by Carotech is up to-date;	Submitted on 14 September 2004.
		(iii) Carotech and the directors of Carotech (namely Teo Liang Huat, Thomas and Cheah Sheau Lan) are to provide their respective declarations or revised declaration, where applicable, pursuant to paragraph 16.02 of the SC Guidelines;	Provided on 14 September 2004 and 16 December 2004.
		(iv) The remaining Bumiputera equity of 25.86% of the enlarged issued and paid-up share capital of Carotech upon listing, to be allocated and approved by the MITI;	Amended. Please refer to the conditions in the SC's letter dated 9 November 2004.
		(v) OSK/Carotech to inform SC with the status of compliance with the National Development Policy requirement upon completion of the listing exercise; and	To be complied with.
		(vi) Carotech to disclose the status of utilization of the listing proceeds to be raised from the public issue in its periodic and annual reports until the proceeds are fully utilized.	To be complied with.
	9 November 2004	(i) The remaining Bumiputera equity of 26.37% of the enlarged issued and paid-up share capital of Carotech, upon listing, to be allocated and approved by MITI; and	Approved on 17 December 2004 and 27 December 2004.
		(ii) OSK Securities Berhad/Carotech to fully comply with the other earlier conditions as stipulated in the SC's letter dated 6 August 2004.	To be complied with.
MITI	17 May 2004	(i) Increase in Bumiputera equity to 30% of the enlarged share capital within five (5) years after listing or within one (1) year after the Company fulfils the criteria for floatation on the Second Board of Bursa Securities, whichever is earlier;	To be complied with.
		(ii) The approval of the SC for the listing scheme and compliance with the guidelines on acquisitions, mergers and takeovers;	Granted on 6 August 2004.
		(iii) Allocation of Bumiputera shares in paragraph (i) above is subject to MITI approval; and	Approved on 17 December 2004 and 27 December 2004.

**5. INFORMATION ON THE GROUP (CONTINUED)**

Authority	Date granted	Conditions	Status of compliance
MITI	27 September 2004	(iv) Obtaining MESDAQ approval.	Granted on 10 August 2004.
MITI	27 September 2004	(i) Obtaining SC approval and compliance with the guidelines on acquisitions, mergers and takeovers by local and foreign interests; and	Granted on 9 November 2004.
MITI	27 September 2004	(ii) All other conditions as per MITI approval letter Ref No. MITI ID/BI/S/0.41-72/124S dated 17 May 2004 shall remain.	As above.

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## 5. INFORMATION ON THE GROUP (CONTINUED)

## 5.5 OTHER INFORMATION

5.5.1 Approvals, licences and permits	Authority	Type of licence and permit	Date of issuance / validity period	Equity / other conditions imposed	Status of compliance/ remarks
MITI	MITI	Manufacturing licence granted to Hovid under the Industrial Coordination Act 1975 ( <i>Licence No. A002315</i> ) ( <i>Serial No. A 018245</i> )	23 June 1999 / N/A	<p>(i) The Company is exempted from equity conditions. In the event the book value of the Company's fixed assets used in its operations is more than RM500,000, the Company is required to inform MITI.</p> <p>(ii) In the event the Company becomes a public company and invites the public to purchase its shares, its capital structure, revaluation of assets, goodwill and profit, the procedures and basis for the issuance and distribution of the shares must be approved by the relevant Governmental Authority.</p>	Complied
				<p>(iii) The composition of the Company's board of directors shall generally reflect the equity structure of the Company and MITI shall be informed of any appointment or change in the board of directors.</p>	Complied
				<p>(iv) The Company shall first obtain the written approval of MITI before entering into any technology transfer agreements with foreign parties, for example joint-venture agreements, technical assistance and know-how agreements, licensing agreements, patents and trademark agreements, turnkey agreements and management agreements.</p>	N/A
				<p>(v) The Company shall endeavour to appoint Malaysian-owned companies to distribute its products at a domestic level as well as appointing Bumiputera distributors to distribute at least 30% of its domestic sales. The appointment of Bumiputera distributors shall only be carried out after negotiation with MITI. The appointment of foreign distributors must first be approved in writing by MITI.</p>	To be complied with

## 5. INFORMATION ON THE GROUP (CONTINUED)

Authority	Type of licence and permit	Date of issuance / validity period	Equity / other conditions imposed	Status of compliance/ remarks
MITI	Manufacturing licence granted to Hovid under the Industrial Coordination Act 1975 (Licence No. A002315) (Serial No. A 018286)	19 July 1999 / N/A	(vi) The products must comply with the provisions of the Food and Drug Ordinance as determined by the Ministry of Health.  (i) The shares of the Company held by non-Malaysians cannot be transferred without first obtaining the written approval of MITI.  (ii) The composition of the Company's board of directors shall generally reflect the equity structure of the Company and MITI shall be informed of any appointment or change in the board of directors.  (iii) The Company shall first obtain the written approval of MITI before entering into any technology transfer agreements with foreign parties, for example joint-venture agreements, technical assistance and know-how agreements, licensing agreements, patents and trademark agreements, turnkey agreements and management agreements.	Complied  Complied  Complied  N/A
Ipoh City Council	Advertising licence granted to Hovid (File No. G8/A1/3/17/00 LO3)	1 January 2005 / 1 January 2005 to 31 December 2005	(iv) The Company shall endeavour to appoint Malaysian-owned companies to distribute its products at a domestic level as well as appointing Bumiputera distributors to distribute at least 30% of its domestic sales. The appointment of Bumiputera distributors shall only be carried out after negotiation with MITI. The appointment of foreign distributors must first be approved in writing by MITI.  (v) The Company shall comply with all the provisions under the Sale of Drugs Act 1952 and the Control of Drugs and Cosmetics Regulations 1984.	To be complied with  Complied  N/A

## 5. INFORMATION ON THE GROUP (CONTINUED)

Authority	Type of licence and permit	Date of issuance / validity period	Equity / other conditions imposed	Status of compliance/ remarks
Drug Control Authority, Ministry of Health	Manufacturer's licence granted to Hovid under the Control of Drugs and Cosmetics Regulations 1984 (Licence No. MALLP 20041820A)	28 December 2004 / 1 January 2005 to 31 December 2005	N/A	N/A
Drug Control Authority, Ministry of Health	Manufacturer's licence granted to Hovid under the Control of Drugs and Cosmetics Regulations 1984 (Licence No. MALLP 20041819A)	28 December 2004 / 1 January 2005 to 31 December 2005	N/A	N/A
Drug Control Authority, Ministry of Health	Import Licence granted to Hovid under the Control of Drugs and Cosmetics Regulations 1984 (Licence No. MALLI 20041502A)	2 November 2004 / 1 January 2005 to 31 December 2005	N/A	N/A
Drug Control Authority, Ministry of Health	GMP certificate granted to Hovid (Certificate No. 069/03)	21 March 2003 / 5 July 2004 to 4 July 2006	N/A	N/A
MITI	Manufacturing licence granted to Carotech (Licence No. A011598)	8 November 2004 / N/A	(i) In the event that Carotech becomes a public company and invites the public to purchase its shares, the capital structure, the revaluation of assets and goodwill, and the capitalisation of profits and reserves, and the methods and bases for the distribution of those shares shall be subject to the approval of the relevant regulatory authorities.	Met
		(ii)	The composition of the board of directors of Carotech shall in general reflect the multi-racial composition in the State at all levels.	To be met

## 5. INFORMATION ON THE GROUP (CONTINUED)

Authority	Type of licence and permit	Date of issuance / validity period	Equity / other conditions imposed	Status of compliance/ remarks
Malaysian Industrial Development Authority	Certificate of pioneer status granted to Carotech under the High Technology Industries category.	29 June 2004 / 1 December 2003 to 30 November 2008	(i) Expenditure on R&D shall be at least 1% of gross sales. (ii) Staff who hold degrees in the field of science and technology or hold diplomas with work experience shall constitute at least 7% of the total manpower.	Met Met
Malaysian Palm Oil Board	Licence granted to Carotech for the purchase, transfer and storage of palm oil, and an additional licence for the sale, transfer and export of palm oil (Licence No. 007448-906000)	14 April 2004 / 12 May 2004 to 11 May 2005 and 8 July 2004 / 6 July 2004 to 11 May 2005	N/A	N/A
Unit Penguatkuasa Farmasi Perak Darul Ridzuan	Permit granted to Carotech for the purposes of the purchase, store and use of sodium hydroxide, the name of Chan Kah Kit, a process engineer of Carotech (Permit No. 008340)	1 January 2004 / 1 January 2005 to 31 December 2005	N/A	N/A
Dewan Bandaraya Ipoh, Perak Darul Ridzuan	Certificate of Fitness issued to Carotech for the extraction plant constructed on part of Lot 56442, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	14 November 1995 / N/A	N/A	N/A
Jabatan Perkhidmatan Bomba Malaysia	Approval issued to Carotech in respect of the fire safety requirements relating to its production process	22 September 1994 / N/A	N/A	N/A

5. INFORMATION ON THE GROUP (CONTINUED)

Authority	Type of licence and permit	Date of issuance / validity period	Equity / other conditions imposed	Status of compliance/ remarks
Jabatan Alam Sekitar Negeri Perak Darul Ridzuan	Approval issued to Carotech in respect of the extraction plant constructed by Carotech on part of Lot 56442, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	9 March 1993 / N/A	N/A	N/A
Jabatan Keselamatan dan Kesihatan Pekerjaan	Approvals issued to Carotech pursuant to the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 in respect of the safety specifications of the Carotech's fire tube boiler	23 January 2002 and 5 March 2003 / N/A	N/A	N/A

Note:

<sup>1</sup> Pursuant to the provisions of the Poisons Ordinance 1952, and the Poisons (Sodium Hydroxide) Regulations 1962, this permit is granted to a person and not a firm; hence the permit is in the name of Chan Kah Kit, and not Carotech

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## 5. INFORMATION ON THE GROUP (CONTINUED)

## 5.5.2 Landed property

The following landed properties are owned by the Group.

Registered owner/Beneficial owner	Location / Title details	Description / Existing use	Tenure of Lease	Land Area/Gross Built-up Area	Approximate age of building	Restriction of interest/ Encumbrances	Issuance of Certificate of Fitness	Market Value/ Date of valuation	Audited NBV as at 30 June 2004	Revaluation Surplus/ (Deficit) #
HYH/ Hovid	Lot 8811N, Title Pajakan Negeri 68053, Town of Ipoh, District of Kimia, Perak Darul Ridzuan	Leasehold land and buildings comprising a parcel of industrial land and erected upon with a pharmaceutical factory complex together with administrative office and ancillary buildings, and bearing postal address No. 121, Jalan Tunku Abdul Rahman (formerly known as Jalan Kuala Kangsar), 30010 Ipoh, Perak Darul Ridzuan	999 years leasehold interest expiring 14 June 2895	123,915 sq. ft./ 75,692 sq. ft.	Range between 6 to 41 years	None/ Charged to Malay Bank Berhad	10 November 1983 (Pharmaceutical Laboratory/ Office), 13 June 1991 (Penicillin/ Injectable Factory), 26 February 1999 (TNB Substation), 1 March 1999 (Warehouse/ Canteen)	RM7,260,000/ 30 October 2003	N/A	N/A
HYH/ Hovid	Lot 117N, Geran 29785 (formerly Grant for Land 11024), Town of Ipoh, District of Kimia, Perak Darul Ridzuan	An end double storey pre-war shophouse and bearing postal address No. 1, Jalan Bijeh Timah, 30600 Ipoh, Perak Darul Ridzuan	Freehold	1,331 sq. ft./ 2,331 sq. ft.	More than 60 years	None/ Charged to Southern Bank Berhad	N/A	RM190,000/ 30 October 2003	N/A	N/A

5. INFORMATION ON THE GROUP (CONTINUED)

Registered owner/ Beneficial owner	Location / Title details	Description / Existing use	Tenure of Lease	Land Area/Gross Built-up Area	Approximate age of building	Restriction of interest/ Encumbrances	Issuance of Certificate of Fitness	Market Value/ Date of valuation	Audited NBY as at 30 June 2004	Revaluation Surplus/ (Deficit) *
Hovid	Lot 7238, Title no. HS(D) 829/83, Town of Ipoh, District of Kinta, Perak Darul Ridzuan	An end 1 1/2 storey terrace industrial factory bearing postal address No. 19, Laluang Kangsar 7, Vaiva Light Industrial Park, Jalan Tunku Abdul Rahman (formerly known as Jalan Kuala Kangsar), 30010 Ipoh, Perak Darul Ridzuan	Freehold	2,050 sq. ft./ 2,974 sq. ft.	6 years	None/ Charged to OCBC Bank (Malaysia) Berhad	8 September 1998	RM270,000/ 30 October 2003	RM247,051##	RM22,949
Hovid *	Lot 56442, Title Geran 6107, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	A parcel of industrial land partly erected upon with 2 pharmaceutical plants bearing postal address Lot 56442, 7 1/2 mile, Jalan Ipoh/ Chemor, 31200 Chemor, Perak Darul Ridzuan *1	Freehold	874,684 sq. ft./ 57,455 sq. ft.	Range between 1 to 9 years	None/ Charged and caveated by OCBC Bank (Malaysia) Berhad	14 November 1995 (Carotech Extraction Plant), 14 October 2002 (Hovid Plant B), 25 October 2004 (Carotech 3 Block Building)	RM15,500,000* / 30 October 2003	RM10,672,081 ##	RM4,827,919
H Pharmacy	Lot 2056S, Title Grant 120, Town of Ipoh, District of Kinta, Perak Darul Ridzuan	An intermediate 3-storey shopoffice being used as a pharmacy retail outlet at the ground floor and offices at the upper floors and bearing postal address No. 29, Jalan Yang Kalsom, 30250 Ipoh, Perak Darul Ridzuan *2	Freehold	1,740 sq. ft./ 3,439 sq. ft.	35 years	None/ Charged to United Malaysian Banking Corporation Berhad (now known as RHB Bank Berhad)	10 May 1969	RM410,000/ 30 October 2003	RM489,322	(RM79,322)

## 5. INFORMATION ON THE GROUP (CONTINUED)

Registered owner/ Beneficial owner	Location/ Title details	Description/ Existing use	Tenure of Lease	Land Area/Gross Built-up Area	Approximate age of building	Restriction of interest/ Encumbrances	Issuance of Certificate of Fitness	Market Value/ Date of valuation	Audited NBV as at 30 June 2004	Revaluation Surplus/ (Deficit) *
H Pharmacy	Lot PT 17980, Title HS(D) KA 67801, Town of Ipoh, District of Kinta, Perak Darul Ridzuan	An intermediate 4- storey shopoffice being used as a pharmacy retail outlet at the ground floor and offices at the upper floors and bearing address nos. 64 & 64A-C, Jalan Leong Sin Nam, 30300 Ipoh, Perak Darul Ridzuan	99 years leasehold interest expiring on 20 December 2078	1,336 sq. ft./ 4,361 sq. ft. (based on approved building plans)	24 years	None/ Charged to Ban Hin Lee Bank Berhad (now known as Southern Bank Berhad)	N/A**	RM640,000/ 30 October 2003	RM648,470	(RM8,470)
H Pharmacy	Lot PT 143393, Title HS(D) KA 55068, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	An intermediate double-storey shopoffice being used as a store and bearing postal address No. 71, Jalan Pengkalan Indah District of 2, Bandar Pengkalan Indah, 31650 Ipoh, Perak Darul Ridzuan	99 years leasehold interest expiring on 19 November 2095	1,400 sq. ft./ 2,722 sq. ft.	6 years	This land cannot be transferred without the written authorisation of the State Authority/ Charged to OCBC Bank (Malaysia) Berhad	6 November 1998	RM190,000/ 30 October 2003	RM185,171	RM4,829
H Pharmacy	Lot PT 27742, Title HS(M) 11828, Mukim of Sungai Buloh, District of Petaling, State of Selangor	An end lot 3-storey shopoffice being used as catering services office at the ground floor and other offices at the upper floors, bearing postal address No. 16, Jalan SS4D/14, 47301 Petaling Jaya, Selangor Darul Ehsan	Freehold	1,750 sq. ft./ 5,250 sq. ft.	23 years	None/ Charged to United Banking Corporation Berhad (now known as RHB Bank Berhad) Lienholders caveat lodged by Sime Bank Berhad on 11 July 1997	N/A***	RM850,000/ 30 October 2003	RM777,471	RM72,529

## 5. INFORMATION ON THE GROUP (CONTINUED)

Registered owner/ Beneficial owner	Location/ Title details	Description/ Existing use	Tenure of Lease	Land Area/Gross Built-up Area	Approximate age of building	Restriction of interest/ Encumbrances	Issuance of Certificate of Fitness	Market Value/ Date of valuation	Audited NBV as at 30 June 2004	Revaluation Surplus/ (Deficit) *
C&H Piling Sdn Bhd/ H Pharmacy <sup>a</sup>	Lots 312, 313 and 314, all within Prima Subang Industrial Park, Mukim Nos. 38, 40 and 42, of Damansara, District of Petaling, State of Selangor	3 adjoining mid 1 1/2 storey terraced factories being used as a factory/store, bearing postal address Nos. 38, 40 and 42, Jalan TPJ 10 (Jalan PJU 1A/11), Taman Perindustrian Jaya, 47200 Petaling Jaya, Selangor Darul Ehsan <sup>a</sup>	Land terms not stated as individual titles for properties have not been issued	6,000 sq. ft. (or 2,000 sq. ft. per lot)/ 8,625 sq. ft. (or 2,875 sq. ft. per unit)	6 years	The land shall not be transferred, or mortgaged without the prior written authority of the State Authority (As extracted from the Master Title of the property)/ None	20 October 1998	RM1,065,000/ 30 October 2003	RM1,077,519	(RM12,519)
Trustees of Leong San Toong Khoo Kongsi (Penang) <sup>b</sup> / H Pharmacy	Lot 8265, Title Geran No. Pendaftaran 57174, Mukim 13, District of North-East, State of Pulau Pinang	An end lot 3-storey shophouse used as a pharmaceutical retail outlet at the ground floor and offices at the upper floors, bearing postal address no. 52A, B & C, Lintang Angsana, Bandar Baru Ayer Itam, 11500 Pulau Pinang	99 years sublease interest created by way of Agreement dated 23 <sup>rd</sup> March 1992 between Registered Proprietors, Trustees of Leong San Toong Khoo Kongsi (Penang) and Vendor, Perumahan Farlim (Malaysia) Sdn Bhd	1,776 sq. ft./ 4,312 sq. ft.	14 years	None/ None	29 January 1992	RM650,000/ 30 October 2003	RM565,307	RM84,693

5. INFORMATION ON THE GROUP (CONTINUED)

Registered owner/ Beneficial owner	Location / Title details	Description / Existing use	Tenure of Lease	Land Area/Gross Built-up Area	Approximate age of building	Restriction of interest/ Encumbrances	Issuance of Certificate of Fitness	Market Value/ Date of valuation	Audited NBY as at 30 June 2004	Revaluation Surplus/ (Deficit) *
H Pharmacy	Lot PTD 17128, Title HS(D) 70280, Mukim of Tebrau, District of Johor Bahru, State of Johor Darul Takzim	Comprising a mid 2-storey shopoffice being used as a pharmacy retail outlet at the ground floor and offices at the first floor, bearing postal address No. 25 & 25A, Jalan Sri Bahagia 5, Taman Sri Bahagia, 81200 Tampoi, Johor Darul Takzim	Freehold	1,540 sq. ft./ 3,016 sq. ft.	13 years	(i) This land shall be used for standard 2-storey shophouse, built according to plans approved by the relevant local authority; (ii) All pollution from activities must be channelled / disposed of at places designated by the relevant local authority (iii) All rules and regulations set by the relevant local authority from time to time must be adhered to/ Charged to United Malayan Banking Corporation Berhad (now known as RHB Bank Berhad)	27 August 1991	RM430,000/ 30 October 2003	RM475,606	(RM45,606)

5. INFORMATION ON THE GROUP (CONTINUED)

Registered owner/ Beneficial owner	Location / Title details	Description / Existing use	Tenure of Lease	Land Area/Gross Built-up Area	Approximate age of building	Restriction of interest/ Encumbrances	Issuance of Certificate of Fitness	Market Value/ Date of valuation	Audited NBV as at 30 June 2004	Revaluation Surplus/ (Deficit) #
Javid	Lot 160326 to PT 160399, Titles HS(D) 81606 to 81675, Mukim of Hulu Kinta, Perak Darul Ridzuan	A small proposed Medium Industry ("SMT") industrial scheme comprising 18 vacant terrace industrial lots, 55 vacant semi-detached industrial lots and 1 TNB substation site and located in the vicinity of the ongoing Bandar Baru Sri Klebang, 8 milestone, Jalan Tunku Abdul Rahman (formerly known as Jalan Kuala Kangsar), Ipoh, Perak Darul Ridzuan	Freehold	386,226 sq. ft./ N/A	N/A	None/None	N/A	RM5,280,000/ 30 October 2003	RM1,717,782	RM3,562,218
DH/Hovid	Lot 96, Title Pajak Negeri 2988 (formerly Certificate of Title 3095), Mukim of Ulu Telom, District of Cameron Highlands, Pahang Makmur	A holiday bungalow bearing postal address No. 79, Jalan Sungai Palias, Cameron Highlands, Pahang Darul Makmur	Leasehold land expiring on 13 September 2039	52,525 sq. ft./ 3,364 sq. ft.	More than 50 years	None/ Southern Berhad	N/A	RM1,000,000/ 30 October 2003	N/A	N/A

Notes:

# The revaluation surplus totalling RM8,429,220, including the revaluation surplus arising from the revaluation of Hovid's properties amounting to RM4,850,868 which has been approved by the SC, will be incorporated in the Hovid Group's financial statements for the FYE 30 June 2005

## Based on the audited NBV as at 30 June 2003

^ Pursuant to three (3) Sale & Purchase Agreements all dated 8 July 1996 for the purchase of the said properties from the registered owner. The titles to the said properties are presently in the process of being issued

**5. INFORMATION ON THE GROUP (CONTINUED)**

- ^^ Pursuant to an Agreement dated 23 March 1992 between Trustees of Leong San Toong Khoo Kongsi (Penang) and Perumahan Farlim (Malaysia) Sdn Bhd, H Pharmacy has a beneficial 99 year sublease in the said property. The registration of title is presently in progress
- \* Includes the land disposed to Carotech pursuant to a Sale and Purchase Agreement dated 22 December 2003 between Hovid and Carotech, whereby Carotech had agreed to purchase from Hovid an undivided portion measuring approximately 13.51 acres of a parcel of freehold land held under GRN 6107, Lot 56442, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan, together with the buildings thereon for a consideration of RM5,710,000 to be satisfied entirely by a cash payment. Based on the valuation report prepared by Messrs Colliers, Jordan Lee & Jaafar dated 30 October 2003, the market value of the property disposed to Carotech is RM5,710,000 whilst the market value of the remaining parcels of land belonging to Hovid is RM9,790,000. Further details on the disposal may be found under Section 5.3(ii) of this prospectus, whilst further details pertaining to the descriptions of the properties may be found in the Valuation Certificate included under Section 11 of this prospectus
- \*\* The CF in respect of the property has been issued but is presently not in the Company's possession. The Company has applied to the relevant authorities for a duplicate copy of the CF to be issued
- \*\*\* Currently pending application by the Company
- \*1 As at the date of the valuation report, the valuers had disregarded the valuation of certain structures, namely the guard house, cycle parking shed, mezzanine store and the effluent treatment plant and switch board room, in view that the approval for these structures had not been obtained or were still pending approval from the authorities. The Company is still in the process of applying for approval for the said structures
- \*2 The valuers had highlighted that, as at the date of the valuation report, the approval from the authorities for extension works carried out on the existing premises had not been obtained. Nevertheless, the Company had on 6 January 2005, provided its undertakings to the SC to use its best endeavours to rectify the extension, which has yet to be approved, within 12 months from the date of SC's approval

For further details on the landed properties of the Group, please refer to the valuation certificate contained in Section 11 of this prospectus.

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**5. INFORMATION ON THE GROUP (CONTINUED)****5.5.3 Additional Disclosure on Debtors**

The Directors of the Company are of the opinion that the debtors' collection periods of the operating companies within the Hovid Group are reasonable and comparable to the respective industries the companies are involved in. The average credit period and latest debtors collection periods, as at 31 January 2005, of the operating companies within the Hovid Group are as follows:

<b>Companies</b>	<b>Average Credit Period (days)</b>	<b>Debtors' Collection Period (days)</b>
Hovid	60	67
H Pharmacy	95	97
Carotech	60	71
H Inc	90	117

The debtors collection periods for Hovid, H Pharmacy and Carotech had exceeded their respective average credit periods due to the increase in sales during the last two (2) months of the seven (7) months period ended 31 January 2005. Additionally, necessary steps including sending of reminders, calling the debtors continuously and where necessary, instituting legal action, have already been taken by Hovid, H Pharmacy and Carotech to collect debts which are overdue from their trade debtors.

The latest debtors collection period for H Inc is significantly longer than the average credit period of 90 days due to the change of distributor in early 2004, whereby the amount owing from the previous distributor has not been settled. The amount outstanding from the said distributor is approximately RM36,000. H Inc is presently negotiating on a settlement plan with the debtor.

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**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL**

**6.1 PROMOTER**

**6.1.1 Shareholding in the Company**

As at 31 January 2005, being the latest practicable date prior to the printing of this prospectus, the direct and indirect interest of the promoter of the Company in the issued and paid-up share capital of the Company before and after the Offer for Sale and the Public Issue (assuming full subscription of the Issue Shares reserved for him under the preferential share allocation scheme pursuant to the Public Issue) is as follows:

Promoter	Nationality	<-----Before Offer for Sale and Public Issue----->		<-----After Offer for Sale and Public Issue----->	
		Number of Shares	Percentage of share capital %	Number of Shares	Percentage of share capital %
DH	Malaysian	49,019,360	59.4	49,496,760	52.0
		-	-	-	-

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**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

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**6.1.2 Profile**

The profile of the promoter of the Company is as follows.

**DH**, a Malaysian aged 55, is the Managing Director of the Company. He obtained a Bachelor of Pharmacy degree from the University of Otago in 1974. He later obtained a Master of Pharmacy degree from the University of Otago in 1976. He was registered as a pharmacist with the Pharmaceutical Society of New Zealand in 1974 and as a pharmaceutical chemist by the Pharmaceutical Society of Great Britain in 1977. He was registered as a pharmacist with the Malaysian Pharmacist Board in 1980. Mr. Ho has also completed the Applied International Management Programme organised by the Swedish Institute of Management, in 1990, and the International Top Management Seminar in the field of Quality Leadership organised by ISO Swedish Management Group in 1996. From 1978 to 1979, he was a research pharmacist with Wyeth Laboratories Ltd. Thereafter, he formed and incorporated Hovid in 1980. He is also the Managing Director of Carotech.

**6.1.3 Previous or existing directorships and substantial shareholdings in other public companies**

The promoter of the Company does not have any previous or existing directorship, or substantial shareholding, in any other public company outside the Hovid Group incorporated in Malaysia for the past 2 years preceding the date of this prospectus, save for his position as the Managing Director of Carotech as set forth in **Section 6.3.3**.

**6.1.4 Changes in the promoter's shareholdings in the Company**

The changes in the shareholdings of the promoter of the Company for the past three (3) years preceding the date of this prospectus are set forth in **Section 6.2.4**.

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**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

**6.2 SUBSTANTIAL SHAREHOLDERS**

**6.2.1 Shareholding in the Company**

As at 31 January 2005, being the latest practicable date prior to the printing of this prospectus, the direct and indirect interests of the substantial shareholders of the Company in the issued and paid-up share capital of the Company before and after the Offer for Sale and the Public Issue (assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme pursuant to the Public Issue) are as follows:

Substantial shareholder	Nationality/Place of incorporation	<-----Before Offer for Sale and Public Issue----->		<-----After Offer for Sale and Public Issue----->		Percentage of share capital %
		Number of Shares	Percentage of share capital %	Number of Shares	Percentage of share capital %	
DH	Malaysian	49,019,360	59.4	49,496,760	52.0	-
Datuk Haji Ibrahim Bin Haji Ahmad	Malaysian	-	-	5,000,000	5.2	-
EQL	British Virgin Islands	23,759,656	28.8	4,559,656	4.8	-
ASC	British Virgin Islands	-	-	23,759,656	28.8 <sup>(a)</sup>	4.8 <sup>(b)</sup>
CAV	Malaysia	4,977,002	6.0	2	.^	-
CAHB	Malaysia	-	-	4,977,002	6.0 <sup>(b)</sup>	2 <sup>_^</sup> (b)

**Note:**

^ Negligible.

(a) Deemed interested pursuant to Section 6A of the Act, by virtue of its interest held through EQL.

(b) Deemed interested pursuant to Section 6A of the Act, by virtue of its interest held through CAV.

## 6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)

### 6.2.2 Profile

The profiles of DH and Datuk Haji Ibrahim Bin Haji Ahmad, substantial shareholders of the Company, are set forth in **Sections 6.1.2** and **6.3.1** respectively.

- (a) (i) **EQL** was incorporated as a private limited company on 5 January 2000 in the British Virgin Islands. The principal activity of EQL is investment holding. EQL is a wholly-owned subsidiary of ASC. The directors of EQL are Hong Mei Chean and Ho Tuen Yee.
- (ii) **ASC** was incorporated as a private limited company on 17 August 1994 in the British Virgin Islands. The principal activity of ASC is the provision of direct equity to private sector companies that are well managed and with clear vision of profitable growth. The authorised share capital of ASC is US\$161 divided into 100 ordinary shares of US\$0.01 each, 15,000 preference shares Series A of US\$0.01 each and 1,000 preference shares Series B of US\$0.01 each. As at 31 January 2005, 100 ordinary shares of US\$0.01 each, 3,792 preference shares Series A of US\$0.01 each and 1,000 preference shares Series B of US\$0.01 each have been issued and fully paid-up. The shareholders of ASC consist of U.S. university endowment and pension funds, investment companies and other institutional investors.

The details of the directors of ASC and their respective shareholdings in ASC as of 31 January 2005, being the last practicable date prior to the printing of this prospectus, are as follows:

Directors	Nationality	<----- Direct ----->		<----- Indirect ----->	
		Number of ordinary shares of USD0.01 each	Percentage of share capital %	Number of ordinary shares of USD0.01 each	Percentage of share capital %
Lec Cheong					
Seng	Singaporean	-	-	-	-
Ronnie C Chan	American	-	-	-	-

- (b) (i) **CAV** is a wholly-owned subsidiary of CAHB and was incorporated as a private limited company under the Act on 16 January 1995 under the name of Commerce Asset Managers Sdn Bhd. It changed its name to its present name on 13 June 1997. The principal activities of CAV are provision of equity and mezzanine capital to viable, innovative, high growth and emerging companies. The authorised share capital of CAV is RM15,000,000 divided into 4,000,000 ordinary shares of RM1.00 each and 110,000,000 Preference Shares of RM0.10 each of which 500,000 ordinary shares of RM1.00 each and 67,000,000 Preference Shares Series A and 33,000,000 Preference Shares Series B of RM0.10 each have been issued and fully paid-up. The details of the directors and substantial shareholders of CAV and their respective shareholdings in CAV as of 31 January 2005 are as follows:

Directors	Nationality/ Place of incorporation	<----- Direct ----->		<----- Indirect ----->	
		Number of ordinary shares of RM1.00 each	Percentage of share capital %	Number of ordinary shares of RM1.00 each	Percentage of share capital %
Jamil Hajar Bin Abdul Mutalib	Malaysian	-	-	-	-

**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

Directors	Nationality/ Place of incorporation	<----- Direct ----->		<----- Indirect ----->	
		Number of ordinary shares of RM1.00 each	Percentage of share capital %	Number of ordinary shares of RM1.00 each	Percentage of share capital %
Datuk Azizan Bin Abd Rahman	Malaysian	-	-	-	-
Dato' Dr. Mohamad Zawawi Bin Ismael	Malaysian	-	-	-	-
Raja Shamsul Kamal Bin Raja Shahrizzaman	Malaysian	-	-	-	-

Substantial shareholder	Nationality/ Place of incorporation	<----- Direct ----->		<----- Indirect ----->	
		Number of ordinary shares of RM1.00 each	Percentage of share capital %	Number of ordinary shares of RM1.00 each	Percentage of share capital %
CAHB	Malaysia	500,000	100	-	-

- (ii) **CAHB** started in 1924 as a family bank in Kuching, Sarawak. On 24 December 1956, it was incorporated as Bian Chiang Bank Limited in Malaysia under the Sarawak Ordinance No. 38 of 1956. In 1979, its head office was transferred from Kuching to Kuala Lumpur and its name changed to Bank of Commerce Berhad ("BOC"). BOC was listed on the Main Board of Bursa Securities on 3 November 1987.

In 1991, the composite scheme of merger between BOC and United Asia Bank Berhad ("UAB") was successfully completed. With effect from 30 June 1991, the commercial banking businesses of BOC was transferred to UAB, which later changed its name to Bank of Commerce (M) Berhad. In addition, BOC's name was changed to Commerce Asset-Holding Berhad on 10 October 1991 and is now an investment holding and management company.

The details of the directors and substantial shareholders of CAHB and their respective shareholdings in CAHB as of 31 January 2005 are as follows:

Directors	Nationality/ Place of incorporation	<----- Direct ----->		<----- Indirect ----->	
		Number of ordinary shares of RM1.00 each	Percentage of share capital %	Number of ordinary shares of RM1.00 each	Percentage of share capital %
Tan Sri Dato' Mohd Desa Pachi	Malaysian	-	-	-	-
Tan Sri Datuk Asmat Kamaludin	Malaysian	-	-	26,000 <sup>(a)</sup>	- <sup>^</sup>
Dr. Rozali Mohamed Ali	Malaysian	314,800	- <sup>^</sup>	-	- <sup>^</sup>
Dato' Anwar Haji	Malaysian	-	-	-	-
Mohd Salleh Mahmud	Malaysian	-	-	-	-
Dr. Roslan A. Ghaffar	Malaysian	-	-	-	-
Izlan Izhab	Malaysian	-	-	-	-

**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

Substantial Shareholders	Nationality/ Place of incorporation	Direct		Indirect	
		Number of ordinary shares of RM1.00 each	Percentage of share capital %	Number of ordinary shares of RM1.00 each	Percentage of share capital %
Employees Provident Fund Board	Malaysia	656,294,926 <sup>(b)</sup>	24.34	-	-
Khazanah Nasional Berhad	Malaysia	342,908,900	12.72	-	-
Kumpulan Wang Amanah Pencen	Malaysia	260,100,072 <sup>(c)</sup>	9.65	-	-

**Notes:**^ *Negligible*(a) *Deemed interested pursuant to Section 6A of the Act, through the 21,000 ordinary shares held by his wife, Puan Sri Habibah Mohd, and 5,000 ordinary shares held indirectly under his son, Ziad Asmat, in CAHB.*(b) *645,814,526 CAHB shares are held directly and the remaining 10,480,400 CAHB shares are held through nominees companies.*(c) *58,270,000 CAHB shares are held directly, 6,664,900 CAHB shares are held through nominees companies and 195,165,172 CAHB shares are swap shares with the Ministry of Finance.*
**6.2.3 Previous or existing directorships and substantial shareholdings in other public companies**

Save as disclosed below, and DH's and Datuk Haji Ibrahim Bin Haji Ahmad's directorships in other public companies disclosed under **Section 6.3.3**, the substantial shareholders of the Company do not have any previous or existing directorship, or substantial shareholding, in any other public company incorporated in Malaysia for the past two (2) years preceding the date of this prospectus.

Name	Company	Principal activities	Date Appointed / Resigned	% held as at 31 January 2005	
				Direct	Indirect
CAHB	Bumiputra-Commerce Bank Berhad	Commercial banking and related financial services	-	99.9	-
	Bumiputra-Commerce Factoring Berhad	Factoring & loan management	-	-	100.0 <sup>(a)</sup>
	Bumiputra-Commerce FactorsLease Berhad (formerly known as Bumiputra-Commerce Leasing Berhad)	Leasing, factoring and assets managements	-	-	100.0 <sup>(a)</sup>
	Bumiputra-Commerce Trustee Berhad	Trustee services	-	-	100.0 <sup>(a)</sup>
	BBMB Unit Trust Management Berhad	Investment holding	-	-	100.0 <sup>(a)</sup>
	Bumiputra-Commerce International Trust (Labuan) Berhad	Offshore trust	-	-	100.0 <sup>(a)</sup>
	Bumiputra-Commerce Finance Berhad	Finance company	-	-	100.0 <sup>(a)</sup>

**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

Name	Company	Principal activities	Date Appointed / Resigned	% held as at 31 January 2005	
				Direct	Indirect
	CIMB Berhad ("CIMB")	Investment holding of merchant banking group	-	72.35	-
	Commerce International Merchant Bankers Berhad ("Commerce International")	Merchant banking and the provision of related services	-	-	72.35 <sup>(c)</sup>
	CIMB Discount House Berhad	Discount house	-	-	72.35 <sup>(d)</sup>
	Commerce Life Assurance Berhad (formerly known as AMAL Assurance Berhad)	Life assurance business	-	100.0	-
	Commerce Trust Bhd	Unit trust manager	-	-	50.65 <sup>(b)</sup>
	AMI Insurance Bhd	General Insurance Business	-	100.0	-

*Notes:*

- (a) *Deemed interested pursuant to Section 6A of the Act, by virtue of its interest held through Bumiputra-Commerce Bank Berhad.*
- (b) *Deemed interested pursuant to Section 6A of the Act, by virtue of its interest held through CIMB.*
- (c) *Deemed interested pursuant to Section 6A of the Act, by virtue of its interest held through Commerce International.*

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**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

**6.2.4 Changes in substantial shareholders**

The changes in the substantial shareholder's shareholdings in the Company for the past three (3) years preceding the date of this prospectus are as follows:

Promoter	As at 31 January 2003			As at 31 January 2004			As at 31 January 2005		
	Direct	Indirect	%	Direct	Indirect	%	Direct	Indirect	%
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
HYH	3,600,000	-	100.0	3,600,000	-	92.6	-	-	-
DH	-	3,600,000	-	-	3,600,000	-	49,019,360	-	59.4
Datuk Haji Ibrahim Bin Haji Ahmad	-	-	-	-	-	-	-	-	-
EQL	-	3,600,000	-	-	3,600,000	-	23,759,656	-	28.8
ASC	-	3,600,000	-	-	3,600,000	-	-	23,759,656	28.8 <sup>(b)</sup>
Gan Ec Kiang @ Gan Boon Seng	-	-	-	220,000	-	5.7	-	-	-
CAV	-	-	-	-	-	-	4,977,002	-	6.0
CAHB	-	-	-	-	-	-	-	4,977,002	6.0 <sup>(c)</sup>

**Notes:**

(a) Deemed interested pursuant to Section 6A of the Act, by virtue of their interest held through HYH.

(b) Deemed interested pursuant to Section 6A of the Act, by virtue of its interest held through EQL.

(c) Deemed interested pursuant to Section 6A of the Act, by virtue of its interest held through CAV.

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**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

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**6.3 DIRECTORS****6.3.1 Profiles**

The profiles of the directors of the Company, other than the profile of DH which is set forth in Section 6.1.2, are as follows.

**Datuk Haji Ibrahim Bin Haji Ahmad**, a Malaysian aged 57, is a food technologist and entrepreneur. He was appointed to the Board of the Company on 22 December 2004 as the Non-Executive Chairman. He obtained a Diploma in Agriculture in 1969 from Universiti Putra Malaysia and a Masters in Food Technology in 1974 from Louisiana State University, United States of America in 1974. He returned to be a lecturer in Universiti Putra Malaysia in the Faculty of Food and Biotechnology from 1975 to 1980. From 1980 to 1986, he was the Head of Corporate Research and Development at Kumpulan FIMA Bhd. He left Kumpulan FIMA Bhd to venture into other businesses and has been the Executive Chairman and Group Managing Director of the Dewina Group of companies since 1986 until to date.

**Liong Kam Hon**, a Malaysian aged 58, was appointed to the Board of the Company on 11 February 1999. He joined the Group on 16 June 1981 as a Manager in H Pharmacy. Prior to that, he served as a manager with Public Medical Supplies from 1978 to 1980. Between 1967 and 1977, he was the chief dispenser with Georgetown Dispensary Ltd.

**Chuah Chaw Teo**, a Malaysian aged 53, is a chemist by profession. He was appointed to the Board of the Company on 22 December 2004 as an Independent Non-Executive director. He obtained a Bachelor of Science degree with Honours in 1975 from the University of Otago, where he was also given the University of Otago Science Award for ranking first in the class. Thereafter, he obtained a Doctorate degree in Applied Organic Chemistry in 1979, also from the University of Otago. He has a Diploma in Management from the Malaysian Institute of Management, which he obtained with Merit in 1987. After he obtained his Doctorate degree in 1979, Dr. Chuah worked as a post-doctoral research associate with the College of Environmental Science and Forestry of the State University of New York, a position which he held for the next two (2) years. From 1982 to 1983, he served as a lecturer in the University of Malaya, Malaysia. After he left the University of Malaya, he was attached to Yee Lee Edible Oils Sdn Bhd as General Manager for R&D. He held this position for 10 years, from 1983 to 1993. Presently, he is an Executive Director of Spritzer Berhad, a position that he has held since 1994.

**Leong Kwok Yee**, an Australian aged 54, is an accountant by profession. He was appointed to the Board of the Company on 22 December 2004 as an Independent Non-Executive director. He obtained a Bachelor of Commerce degree in 1974 from the University of Otago and a Masters in Business Administration from University of Macquarie in 1989. He is a Fellow Member of both the New Zealand Institute of Chartered Accountants and Australian Institute of Chartered Accountants, having trained at Ernst & Young in Wellington, New Zealand and Sydney, Australia. He left Ernst & Young in 1981 to join Encyclopaedia Britannica (Sydney) as their Financial Controller before joining Hunter Douglas Ltd (Sydney) in 1988 as their Treasurer / Management Accountant. He subsequently joined Dodwell, Inchcape Buying Services (Hong Kong) as their Financial Controller in 1990 and became the Finance Director in 1993. He left in 1995 to be the Chief Financial Officer of Li & Fung, Ltd (Hong Kong) and retired from 1 September 2004. He is a member of the Advisory Board of CFO Asia Magazine. Li & Fung Ltd has been voted by Finance Asia.com in 2004 as the Best Managed Company, the Best Corporate Governance and Best Investor Relations Company. Additionally, in 2004, he was also voted as the 2<sup>nd</sup> Place Best Hong Kong CFO by Finance Asia Magazine in 2004 and the Best CFO (Retail Sector) by the Institutional Investor Research Group.

**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

**YM Raja Shamsul Kamal Bin Raja Shahruzzaman**, a Malaysian aged 43, was appointed to the Board of the Company on 22 December 2004 as a Non-Executive director. He obtained a Bachelor of Science degree with Honours in Civil Engineering from the University of Newcastle upon Tyne, England. He joined Shah Alam Properties Sdn Bhd as a project engineer in 1984 to 1987. He left in 1987 to join Bank of Commerce Bhd before leaving as Vice President & Group Head of Corporate Banking Department in 1991 to join Commerce-Asset Holding Bhd. Since joining Commerce-Asset Holding Bhd, he has been in numerous positions including the General Manager & Chief Executive Officer of Commerce Asset Leasing Sdn Bhd (1991 to 1996), General Manager of Commerce Asset Fund Managers Sdn Bhd (1996 to 1997) before assuming his current position as the Executive Director and Chief Executive Officer of CAV.

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**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

**6.3.2 Shareholdings in the Company**

As at 31 January 2005, being the latest practicable date prior to the printing of this prospectus, the direct and indirect interests of the directors of the Company in the issued and paid-up share capital of the Company before and after the Offer for Sale and the Public Issue (assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme pursuant to the Public Issue) are as follows:

Directors	Nationality	<-----Before Offer for Sale and Public Issue----->		<-----After Offer for Sale and Public Issue----->	
		Number of Shares	Percentage of share capital %	Number of Shares	Percentage of share capital %
Datuk Haji Ibrahim Bin Haji Ahmad	Malaysian	-	-	5,000,000	5.2
DH	Malaysian	49,019,360	59.4	49,496,760	52.0
Liong Kam Hon	Malaysian	1,362,220	1.7	1,439,820	1.5
Chuah Chaw Teo	Malaysian	-	-	-	-
Leong Kwok Yee	Australian	-	-	-	-
YM Raja Shamsul Kamal Bin Raja Shahruzzaman	Malaysian	-	-	-	-

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**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**
**6.3.3 Previous or existing directorships and substantial shareholdings in other public companies**

Save as disclosed below, none of the directors of the Company have any previous or existing directorship, or substantial shareholding, in any other public company incorporated in Malaysia for the past two (2) years preceding the date of this prospectus.

Name	Company	Principal activities	Date appointed/ resigned	% held as at 31 January 2005	
				Direct	Indirect
DH	Carotech	The extraction and processing of nutrients from palm oil for the purpose of manufacturing and producing pharmaceutical, phytonutrient and oleochemical products	16.07.1991	-	69.9
Leong Kwok Yee	Carotech	The extraction and processing of nutrients from palm oil for the purpose of manufacturing and producing pharmaceutical, phytonutrient and oleochemical products	22.11.2004	-	-
Chuah Chaw Teo	Spritzer Berhad	Manufacturing of drinking water bottles, polyethylene terephthalate bottles and toothbrushes	16.05.1994	-	-
	Carotech	The extraction and processing of nutrients from palm oil for the purpose of manufacturing and producing pharmaceutical, phytonutrient and oleochemical products	24.07.1991	- ^	-
Datuk Haji Ibrahim Bin Haji Ahmad	Pantai Holdings Berhad	Property and investment holding, provision of medical, surgical and hospital services, and provision of medical healthcare management and administration services	16.02.2004/ 11.03.2004	-	-
	Carotech	The extraction and processing of nutrients from palm oil for the purpose of manufacturing and producing pharmaceutical, phytonutrient and oleochemical products	22.11.2004	-	-

**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

Name	Company	Principal activities	Date appointed/ resigned	% held as at 31 January 2005	
				Direct	Indirect
YM Raja Shamsul Kamal Bin Raja Shahruzzaman	Good Way Integrated Industries Berhad	Manufactures rubber compound products and tire retreading	20.05.2004	- <sup>^</sup>	-
	Malaysia Steel Works (KL) Berhad	Manufacturer of steel bars - standard component of all concrete structures including buildings & infrastructures	11.01.2002	- <sup>^</sup>	-
	Carotech	The extraction and processing of nutrients from palm oil for the purpose of manufacturing and producing pharmaceutical, phytonutrient and oleochemical products	22.11.2004	-	-

**Note:**
<sup>^</sup> Negligible

**6.3.4 Directors' remuneration and benefits**

The aggregate remuneration and benefits paid by the Group to the directors of the Company is RM1,218,028 in the FYE 30 June 2004. It is estimated that the aggregate remuneration and benefits (excluding performance bonus) proposed for the directors of the Company by way of emoluments for the FYE 30 June 2005 is RM1,500,000. These payments are in the following bands.

Remuneration band (RM)	Number of directors	
	FYE 30 June 2004	FYE 30 June 2005
Below 100,000	-	4
100,001 – 200,000	-	-
200,001 – 300,000	-	-
300,001 – 400,000	1	1
400,001 – 500,000	-	-
500,001 – 600,000	-	-
600,001 – 700,000	-	-
701,000 – 800,000	-	-
801,000 – 900,000	-	-
901,000 – 1,000,000	1	1

**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

**6.3.5 Directors' service agreements**

Save as disclosed below, none of the directors of the Company has entered into any service agreement with the Company and/or any of its subsidiaries.

- (i) On 24 August 2004, the Company entered into an agreement with DH relating to his employment as the managing director ("MD") of the Company ("MD's Contract"). The salient terms of the MD's Contract are as follows:
- (a) The employment of the MD shall commence or be deemed to have commenced on 1 July 2003 and (subject to termination by the MD giving the Company six (6) months notice in writing, or pay in lieu thereof or subject to termination as provided in clause 12 or 13) is for a fixed period equal to five (5) years from commencement date;
  - (b) The MD shall be paid a salary (which shall accrue from day to day) which may be reviewed from time to time (inclusive of directors' fees payable to him);
  - (c) The MD may be paid a discretionary annual bonus, taking into account the performance of the Company and the MD;
  - (d) The MD shall be paid a lump sum amount equal to the remainder of the term of the MD's Contract or an amount equal to 24 months' last drawn basic salary (whichever is higher) upon termination by whatever means of his employment under the MD's Contract by the Company, including but not limited to termination arising from constructive dismissal, termination of directorship or retrenchment; but no payment shall be made for termination arising from the MD's fault;
  - (e) The MD shall (in addition to the usual public holidays) be entitled to not less than twenty eight (28) days' holiday in each year to be taken at times convenient to the Company;
  - (f) The MD shall be entitled to participate in any share option scheme or share purchase scheme established by the Company from time to time; and
  - (g) The MD shall be paid a monthly pension at 50% of his last drawn basic monthly salary for the remainder of his life, upon expiry of the Term or earlier termination of his employment under the MD's Contract. Upon his death, a derivative pension (equal to the pension payable to the MD prior to his death) shall be payable to his surviving widow (if any) for the remainder of her life or (if earlier) until the date of her subsequent marriage. The MD and his family shall continue to be entitled to the dental, medical and hospitalisation benefits during the period that pension is payable to him or derivative pension to his widow. For avoidance of doubt, no payment shall be made for termination arising from the MD's fault.
- (ii) On 24 August 2004, Carotech and DH entered into an agreement relating to his employment as the Managing Director ("Carotech MD") of Carotech, which was amended by a supplemental agreement dated 17 November 2004 (collectively referred to as the "Carotech MD's Contract"). The salient terms of the Carotech MD's Contract are as follows –
- (a) The employment of the Carotech MD shall commence or be deemed to have commenced on 1 July 2003 and (subject to termination by the Carotech MD giving Carotech six (6) months notice in writing, or pay in lieu thereof or subject to termination as provided in clause 13) is for a fixed period equal to three (3) years from commencement date;

**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

- (b) The Carotech MD shall be paid a salary (which shall accrue from day to day) which may be reviewed from time to time (inclusive of directors' fees payable to him);
- (c) The Carotech MD may be paid a discretionary annual bonus, taking into account the performance of Carotech and the Carotech MD;
- (d) The Carotech MD shall have a royalty-free non-exclusive licence over the intellectual property (including patents registered or unregistered designs utility innovations petty patents copyrights including applications for any of the foregoing and the right to apply for them in any part of the world discoveries creations inventions or improvements upon or additions to an invention confidential information know-how and any research effort relating to any of the above mentioned moral rights and any similar rights in any country) owned by Carotech, which is discovered, invented or otherwise acquired by Carotech or its subsidiary during the term of the Carotech MD's Contract. For the avoidance of doubt, the Carotech MD shall not be entitled to a licence over the intellectual property discovered, invented or otherwise acquired by Carotech or its subsidiary prior to the 1 July 2003;
- (e) The Carotech MD shall be paid a lump sum amount equal to the remainder of the term of the Carotech MD's Contract or an amount equal to 24 months' last drawn basic salary (whichever is higher) upon termination by whatever means of his employment under the Carotech MD's Contract by Carotech, including but not limited to termination arising from constructive dismissal, or retrenchment; but no payment shall be made for termination arising from the Carotech MD's fault;
- (f) The Carotech MD shall (in addition to the usual public holidays) be entitled to not less than twenty eight (28) days' holiday in each year to be taken at times convenient to Carotech; and
- (g) The Carotech MD shall be entitled to participate in any share option scheme or share purchase scheme established by Carotech from time to time.

**6.3.6 Interests in other businesses and companies**

None of the executive directors of the Company are involved in the activities or operations of any other business or company, save for DH, who is the managing director of Carotech, a subsidiary of the Company. DH's role as the managing director of Carotech includes the executive management and administration of Carotech and its subsidiary's business and operations. DH is also a director and substantial shareholder of other private limited companies incorporated in and outside Malaysia that is not within the Group. He is a substantial shareholder of HYH (the holding company of the Company prior to the Listing Exercise) and the Managing Director of Hovid Teoranta (a subsidiary of HYH). However, he spends substantially all of his normal working hours in the full-time employment of Hovid and Carotech.

**6.3.7 Declaration**

None of the directors of the Company is or was involved in any of the following events, whether within or outside Malaysia:

- (a) a petition under any bankruptcy or insolvency law filed (and not struck out) against such director or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
- (b) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or

## 6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)

- (c) a subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or regulatory authority permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### 6.4 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Name	Designation	Directorship
Leong Kwok Yee	Chairman	Independent Non-Executive Director
Ho Sue San @ David Ho Sue San	Member	Managing Director
Chuah Chaw Teo	Member	Independent Non-Executive Director

The main functions of the Audit Committee include the review of audit plans and audit reports with the Group's auditors, the review of the auditors' evaluation of internal accounting controls and management information systems, the review of the scope of internal audit procedures, the review of financial statements and the nomination of auditors.

### 6.5 KEY MANAGEMENT AND TECHNICAL PERSONNEL

#### 6.5.1 Profiles

The profiles of the key management and technical personnel of the Group, other than the profile of DH which is set forth in **Section 6.1.2**, and the profile of Liong Kam Hon which is set forth in **Section 6.3.1**, are as follows.

**Goh Tian Hock**, a Malaysian aged 37, is the Chief Financial Officer of the Company. He holds a Bachelor of Science (Hons) Degree from University of East Anglia, Norwich and trained as a Chartered Accountant in London. He is a Fellow Member of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants. He has more than fifteen years experience in financial management, corporate finance, and accounting. His experience includes auditing, provision of investment advice, corporate restructuring, equity and debt fund raising. He joined the Group in January 2003.

**Lee Kai Meng**, a Malaysian aged 50 is the International Business Director of Hovid and General Manager of H Inc. He started his career in the hotel industry in 1978. In 1982, he joined Hoechst as a Medical Representative and was promoted to Area Sales Executive in 1987. He subsequently joined Eltean as an Area Sales Manager in 1991 involved in sales and marketing of the company's products. He joined Hovid in 1993 as an Export Executive. He was promoted to International Sales Manager in 1996 and International Business Manager in 1998. He assumed his current position in 2002 overseeing all sales and marketing of Hovid's products overseas. He was also appointed as the Executive Vice President/Director of H Inc in 2002 before assuming his current General Manager role in 2003.

**Ho Shee Kee**, a Malaysian aged 44 is the General Manager – Consumer Division of Hovid. He obtained a diploma in Supervisory and Management from the Malaysian Institute of Management in 1996 and 1999. He started his career with Hovid in 1978 in the Herbal Department. He was promoted to Supervisory and Managerial roles in 1980 and 1985 respectively. He assumed his current position in 2000 and is now fully in charge of the consumer division including manufacturing and sales of all herbal tea products.



**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

**Chin Lai Ting**, a Malaysian aged 38 is the Production Manager of Hovid. She graduated with a Bachelor of Pharmacy (Hons) degree from Universiti Sains Malaysia in 1991. After graduation, she started her career as a Pupil Pharmacist in Hospital Besar Kuala Lumpur and Government Medical Store, Petaling Jaya where she is trained in hospital services and manufacturing. In 1992, she was the Hospital Pharmacist in Subang Jaya Medical Centre and was promoted to Senior Pharmacist in 1994. She joined Hovid in 1995 as a Production Pharmacist overseeing the granulation, tableting, coating for non-penicillin solid dosage section. She was promoted to Senior Production Pharmacist in 1999 and to her current position in 2000. She currently oversees and manages the operations in Production Department.

**Ong Bee Lan**, a Malaysian aged 40 is the Quality Assurance Manager of the Hovid. She graduated with a Bachelor of Science (Hons) degree in Microbiology in 1989 from Universiti Kebangsaan Malaysia and obtained her professional qualification from the American Society of Quality in 2000. She is also a member of the Certified Quality Engineer. She started her career as a Microbiologist responsible for analytical works in BP Clinical Laboratory in 1989. She then moved on to join Hovid in 1991 as a Microbiologist involved in the quality control of raw materials and finished products. She was transferred to Production Department in 1994 and promoted to Senior Production Executive in 1995. In 1996, she was transferred to QC as Senior QC Executive. She was promoted to QA Manager in 1998. She is in charge of overcoming all quality issues. Conducting GMP training in the Company is also part of her duties.

**Yew Ming Chui**, a Malaysian aged 39 is the Regulatory Affairs Manager of Hovid. She graduated with a Bachelor of Science in Pharmacology from University of Sunderland, England in 1989. She further obtained her Diploma in Management in 1997 from the Malaysia Institute of Management. She started her career as a Research Officer in 1989 with University Sains Malaysia before joining Hovid in 1990 as a Registration Executive. She was promoted to Senior Registration Executive and Regulatory Affairs Manager in 1995 and 1997 respectively. She is responsible for all regulatory affairs, intellectual properties and registration duties as well as marketing and business support.

**June Khoo Lay Choo**, a Malaysian aged 39 is the R&D Manager of Hovid. She graduated from Universiti Kebangsaan Malaysia in 1989 with a Bachelor of Science (Hons) in Food Science & Nutrition. She commenced her career with First Image in 1989 as a Nutritionist. She joined Hovid in 1991 as a Production Executive and was transferred to Product Development Department in 1994. She was promoted to Senior Product Development Executive in 1995, to Product Development Manager in 2000 and became the R&D Manager in 2003.

**Leong Weng Hoong**, a Malaysian aged 36 is the Vice President of Carotech and he is responsible for the sales and marketing. He graduated with a Bachelor of Applied Science in Fermentation Technology (1<sup>st</sup> Class – Hons) from Universiti Sains Malaysia in 1991. He started his career with Felda, Procter and Gamble Oleochemicals in 1991 as an Operation Engineer who is responsible for commissioning and setting up of plants. He joined Carotech in 1993 as a Process Engineer. He was promoted to Plant Manager in 1997 and subsequently to Vice President of Carotech in 1999.

**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

**Chin Hui Ling**, a Malaysian aged 33 is the Production Manager of Carotech. She is responsible for overseeing the entire operations in the Production Department. She holds a Bachelor of Science (Hons) Majoring in Chemistry Minor in Management degree from University Science Malaysia. She started her career in Carotech as a Quality Control Chemist in May 1995. She is involved in the running of the day-to-day operations at the laboratory and oversees all quality related matters in the company. She was promoted to Assistant Quality Assurance/Control Manager in 1999. She was then responsible for overseeing the entire quality assurance and control operations of the company. In 2003, she is transferred to Production Department and promoted to her current position. She had attended current Good Manufacturing Practices (cGMP) training in year 2001 to 2002 and obtained certification from this training. She is now responsible to implement cGMP practices in most of all the plant operations.

**Wong Yoon Kee**, a Malaysian aged 41 is the National Sales Manager of H Pharmacy, in charge of the Pharma Division. He joined H Pharmacy in 1984 and was promoted to Product Manager in 1999 specialising in the Tocovid product and assumed his current position in 2000.

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**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

**6.5.2 Shareholding in the Company**

As at 31 January 2005, being the latest practicable date prior to the printing of this prospectus, other than DH and Liong Kam Hon, whose shareholding have been set out in Section 6.3.2 above, the direct and indirect interests of the key management and technical personnel of the Group in the issued and paid-up share capital of the Company before and after the Offer for Sale and the Public Issue (assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme pursuant to the Public Issue) are as follows:

Key management and technical personnel	Nationality	←-----Before Offer for Sale and Public Issue----->			←-----After Offer for Sale and Public Issue----->		
		Number of Shares	Percentage of share capital %	Indirect Shares	Number of Shares	Percentage of share capital %	Indirect Shares
Leong Weng Hoong	Malaysian	1,134,802	1.4	-	1,142,902	1.2	-
Goh Tian Hock	Malaysian	335,054	0.4	-	375,854	0.4	-
Lee Kai Meng	Malaysian	-	-	-	16,200	- ^	-
Ho Shee Kcc	Malaysian	-	-	-	16,200	- ^	-
Chin Lai Ting	Malaysian	-	-	-	15,800	- ^	-
Ong Bec Lan	Malaysian	-	-	-	15,200	- ^	-
Yew Ming Chui	Malaysian	-	-	-	15,200	- ^	-
June Khoo Lay Choo	Malaysian	-	-	-	15,200	- ^	-
Chin Hui Ling	Malaysian	-	-	-	3,300	- ^	-
Wong Yoon Kee	Malaysian	-	-	-	16,200	- ^	-

Note:

^ Negligible

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**6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONTINUED)**

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**6.5.3 Previous or existing directorships and substantial shareholdings in other public companies**

None of the key management or technical personnel of the Group has any previous or existing directorship, or substantial shareholding, in any other public company outside the Hovid Group incorporated in Malaysia for the past 2 years preceding the date of this prospectus.

**6.5.4 Service agreements**

None of the key management and technical personnel of the Group and its subsidiaries has entered into any service agreement with the Company and any of its subsidiaries.

**6.5.5 Interests in other businesses and companies**

Other than DH, none of the key management and technical personnel of the Group is involved in the activities or operations of any other business or company save for:

- (a) Goh Tian Hock, who holds directorships in other companies outside the Hovid Group. However, he spends substantially all of his normal working hours in the full-time employment of the Group.

**6.5.6 Declaration**

None of the key management and technical personnel of the Group is or was involved in any of the following events, whether within or outside Malaysia:

- (a) a petition under any bankruptcy or insolvency law filed (and not struck out) against such personnel or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
- (b) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or
- (c) a subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or regulatory authority permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

**6.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS**

There is no family relationship or association between the promoter, substantial shareholders, directors and/or key management and technical personnel of the Group, save for DH and Ho Shee Kee, who are cousins, and DH and Jacqueline Judith East, who are husband and wife.