

**NOTICE OF PROVISIONAL ALLOTMENT OF WARRANTS**

The provisional allotment of Warrants (as defined herein) are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") shall apply in respect of dealings in the provisional allotment of Warrants. Terms defined in the Abridged Prospectus of Hovid Berhad ("Hovid" or the "Company") dated 10 May 2013 shall have the same meanings when used in this document, unless otherwise defined here or the context otherwise requires.

**HOVID BERHAD**

(Company Number 58476-A)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF 381,040,000 FIVE (5)-YEAR WARRANTS ("WARRANTS") AT AN ISSUE PRICE OF RM0.02 FOR EACH WARRANT ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.10 EACH IN HOVID HELD AT 5.00 P.M. ON 10 MAY 2013 ("RIGHTS ISSUE OF WARRANTS")**

Principal Adviser

**HWANGDBS INVESTMENT BANK BERHAD**

(Company No.: 14389-U)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**To: Entitled Shareholders of Hovid**

Dear Sir/Madam,

The Board of Directors of Hovid ("Board") has provisionally allotted to you, in accordance with the ordinary resolution passed at the extraordinary general meeting convened on 18 February 2013, the approval of Bank Negara Malaysia on 18 December 2012, and the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") on 13 December 2012, the number of Warrants as indicated below ("Provisional Allotment").

We wish to advise that the following number of Warrants provisionally allotted to you in respect of the Rights Issue of Warrants have been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System ("CDS") accounts subject to the terms and conditions stated in the Abridged Prospectus dated 10 May 2013 and the Rights Subscription Form issued by the Company.

The Provisional Allotment is made subject to the provisions in the Abridged Prospectus dated 10 May 2013 issued by the Company. Bursa Securities has already prescribed the securities of Hovid, listed on the Main Board of Bursa Securities, to be deposited with Bursa Depository. Accordingly, the Provisional Allotment are prescribed securities and, as such, all dealings in the Provisional Allotment will be by way of book entry through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository.

**ALL THE WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEES (IF APPLICABLE). NO PHYSICAL WARRANTS CERTIFICATE WILL BE ISSUED.**

The basis of allocation for excess Warrants will be determined after the last day of application and payment for excess Warrants. Nevertheless, it is the intention of the Board to allot the excess Warrants, if any, on a fair and equitable basis such that the intention of the Board as set out below is achieved and in the following priority, where applicable:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings in Hovid as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Warrants application;
- (iv) fourthly, for allocation to renouncees who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Warrants application; and
- (v) lastly, in the event that there are still unsubscribed Warrants after allocating all the excess Warrants, the remaining unsubscribed Warrants will be subscribed by the major shareholder of Hovid, Ho Sue San @ David Ho Sue San, who has given the Undertaking.

**NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE ENTITLED SHAREHOLDER**

NUMBER OF HOVID SHARES HELD AT 5.00 P.M. ON 10 MAY 2013	NUMBER OF WARRANTS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.02 PER WARRANT (RM)

**IMPORTANT RELEVANT DATES AND TIMES**

Entitlement date .....	:	10 May 2013 at 5.00 p.m.
Last date and time for sale of Provisional Allotment .....	:	17 May 2013 at 5.00 p.m.
Last date and time for transfer of Provisional Allotment .....	:	22 May 2013 at 4.00 p.m.
Last date and time for acceptance and payment .....	:	28 May 2013 at 5.00 p.m.*
Last date and time for excess Warrants application and payment .....	:	28 May 2013 at 5.00 p.m.*

\* or such later date and time as the Board may decide and announce not less than two (2) market days before the closing date.

By order of the Board

**Goh Tian Hock (MIA 8222)****Ng Yuet Seam (MAICSA 7005639)**

Company Secretaries

Share Registrar

**Tricor Investor Services Sdn Bhd (118401-V)**

Level 17, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Tel. No.: 603-2264 3883

Fax No.: 603-2282 1886

**THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 10 MAY 2013**

# RIGHTS SUBSCRIPTION FORM

This Rights Subscription Form ("RSF") is for the purpose of accepting the Warrants (as defined herein) and applying for excess Warrants pursuant to the Rights Issue of Warrants (as defined herein) of Hovid Berhad ("Hovid" or the "Company"). The last date and time for acceptance and payment is 28 May 2013 at 5.00 p.m. or such later date and time as the Board of Directors of Hovid may decide and announce not less than two (2) market days before the closing date. This form is only applicable to persons who have provisional Warrants standing to his/her Central Depository System ("CDS") Account.



Continuous Innovation & Quality

**HOVID BERHAD**

(Company Number 58476-A)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF 381,040,000 FIVE (5)-YEAR WARRANTS ("WARRANTS") AT AN ISSUE PRICE OF RM0.02 FOR EACH WARRANT ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.10 EACH IN HOVID ("HOVID SHARES") HELD AT 5.00 P.M. ON 10 MAY 2013 ("RIGHTS ISSUE OF WARRANTS")**

**NAME AND ADDRESS OF APPLICANT** (in block letters as per the record of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository"))

**NEW NRIC NO./ COMPANY NO.**

**CDS A/C NO.**

NUMBER OF HOVID SHARES HELD AT 5.00 P.M. ON 10 MAY 2013	NUMBER OF WARRANTS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.02 PER WARRANT (RM)

(Note : If you have subsequently purchased additional provisional Warrants ("Provisional Allotments") from the open market, you should indicate your acceptance of the total Provisional Allotments that you have standing to the credit of your CDS Account under Part I(a) below.)

To: The Board of Directors

## PART I - ACCEPTANCE OF THE WARRANTS AND APPLICATION FOR EXCESS WARRANTS

In accordance with the terms of this RSF and the Abridged Prospectus dated 10 May 2013 ("Abridged Prospectus"), I/we<sup>#</sup> hereby irrevocably:

- (a) accept the number of Warrants as stated below which were provisionally allotted/renounced/transferred to me/us<sup>#</sup>;
- (b) # and apply for the number of excess Warrants as stated below in addition to my/our<sup>#</sup> acceptance of (a) above;

in accordance with and subject to the Memorandum and Articles of Association of the Company.

I/We<sup>#</sup> enclose herewith the appropriate remittance(s)/reference(s) for payment as stated below being the full and exact amount payable for the Warrants and/or the excess Warrants accepted/applied for, and hereby request for the said Warrants and/or excess Warrants to be credited into my/our<sup>#</sup> valid and subsisting CDS account as stated above:

NUMBER OF WARRANTS ACCEPTED/ EXCESS WARRANTS APPLIED	AMOUNT PAYABLE (RM)	BANKER'S DRAFT/CASHIER'S ORDER/MONEY ORDER/POSTAL ORDER NO.	PAYABLE TO
(a) ACCEPTANCE			HOVID BERHAD WARRANTS A/C
(b) EXCESS			HOVID BERHAD EXCESS WARRANTS A/C

(Note: ^ The minimum number of Warrants that can be accepted is one (1) Warrant. Fractions of Warrants will be disregarded and shall be dealt with in such manner as the Board in its absolute discretion deems fit and expedient in the best interest of the Company.

## PART II : DECLARATION

I/We<sup>#</sup> hereby confirm and declare that:

- (i) All information provided by me/us<sup>#</sup> is true and correct;
- (ii) All information is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from Bursa Depository's record, the exercise of my/our<sup>#</sup> rights may be rejected; and
  - (a) I am 18 years of age or over.
  - (b) I am/We are<sup>#</sup> resident(s) of ..... (country) and having ..... citizenship.
  - (c) I am/We are<sup>#</sup> nominee(s) of a person who is a Bumiputera<sup>#</sup>/Non-Bumiputera<sup>#</sup>/Non-Malaysian<sup>#</sup> resident in ..... (country) and having ..... citizenship.

I/We<sup>#</sup> hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus and further confirm compliance with all requirements for acceptance and payment as set out therein.

Affix RM10.00  
Malaysian Revenue  
Stamp here

Date

Signature/Authorised Signatory(ies)  
(Corporate bodies must affix their Common Seal)

Contact telephone no. (during office hours)

## LAST DATE AND TIME FOR:

Acceptance and Payment : 28 May 2013 at 5.00 p.m.\*  
Excess Warrants Application and Payment : 28 May 2013 at 5.00 p.m.\*

\* or such later date and time as the Board may decide and announce not less than two (2) market days before the closing date.

# Please delete whichever is not appropriate

**THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT.**

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All enquiries concerning the Rights Issue of Warrants should be addressed to the Share Registrar, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF. In accordance with the Capital Markets and Services Act 2007 ("CMSA"), this RSF must not be circulated unless accompanied by the Abridged Prospectus.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia (or "RM" in abbreviation) and sen. Terms defined in the Abridged Prospectus shall have the same meanings when used in this document, unless otherwise defined here or the context otherwise requires.

The Abridged Prospectus is issued in compliance with the laws of Malaysia only. This RSF, together with the Abridged Prospectus and the Notice of Provisional Allotment ("NPA") (collectively the "Documents"), are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue of Warrants will not be made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries and jurisdictions other than the laws of Malaysia. No action has been taken to ensure that the Rights Issue of Warrants and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue of Warrants to which the Documents relate is only available to persons receiving the Documents within Malaysia. Accordingly, the Documents will not be despatched to Entitled Shareholders who do not have a registered address in Malaysia as stated in the Record of Depositors of the Company on the Entitlement Date. Any Entitled Shareholder and/or their renounees (as the case may be) who are residing in countries or jurisdictions other than Malaysia should therefore immediately consult his/her legal or other professional adviser as to whether the acceptance or renunciation (as the case may be) of his/her entitlements to the Rights Issue of Warrants would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounees (as the case may be) should note the additional terms and restrictions as set out in Section 3.9 of the Abridged Prospectus. Neither the Company nor HwangDBS Investment Bank Berhad shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or renunciation made by the said Entitled Shareholders and/or their renounees (as the case may be) is or shall become illegal, unenforceable or void under the laws of any countries or jurisdictions in which the Entitled Shareholders and/or their renounees (as the case may be) may be subject to.

A copy of this Abridged Prospectus has been registered with the Securities Commission Malaysia ("SC"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends this Rights Issue of Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Abridged Prospectus together with the accompanying NPA and RSF has also been lodged with the Registrar of Companies, who takes no responsibility for the contents.

Approval has been obtained from the shareholders of Hovid at the extraordinary general meeting held on 18 February 2013. Approval for the issue of the Warrants to non-resident shareholders pursuant to the Rights Issue of Warrants has been obtained from Bank Negara Malaysia, vide its letter dated 18 December 2012. Approval has been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities"), vide its letter dated 13 December 2012, for the admission to the Official List of Bursa Securities and the listing of and quotation for all the new securities to be issued pursuant to the Rights Issue of Warrants. Admission to the Official List of Bursa Securities and quotation of the new securities are in no way reflective of the merits of the Rights Issue of Warrants.

The admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Warrants and the new Hovid Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their renounees (if applicable) have been duly credited and notices of allotment have been despatched to them.

The Directors of Hovid have seen and approved the Abridged Prospectus together with accompanying documents. They collectively and individually accept full responsibility for the accuracy of the information given in the Abridged Prospectus and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement in these documents false or misleading.

**INSTRUCTIONS:****(i) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT**

This RSF is valid for acceptance and payment until 28 May 2013 at 5.00 p.m. or such later date and time as the Board may decide and announce not less than two (2) market days before the closing date. If acceptance of and payment for the Warrants provisionally allotted to you ("Provisional Warrants") (whether in full or in part, as the case may be) are not received by the Share Registrar, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur by **28 May 2012 at 5.00 p.m.** (or such later date and time as the Board may decide and announce not less than two (2) market days before the closing date), the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. The Board will then have the right to allot such Warrants not taken up to applicants applying for excess Warrants in the manner as set out in item (iii) below.

**(ii) FULL OR PART ACCEPTANCE OF THE WARRANTS**

If you wish to accept the Provisional Warrants either in full or in part, please complete Part I(a) of the RSF by specifying the number of Warrants which the Entitled Shareholders are accepting and Part II of the RSF, in accordance with the notes and instructions contained herein and submit this RSF, together with the appropriate remittances in RM for the full amount payable for the Warrants accepted in the form of banker's drafts or cashier's orders or money orders or postal orders drawn on a bank or post office in Malaysia and made payable to "HOVID BERHAD WARRANTS A/C". The banker's drafts or cashier's orders or money orders or postal orders should be crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with the applicant's name in block letters and the applicant's CDS account number, to be received by the Share Registrar, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur by **28 May 2013 at 5.00 p.m.** (or such later date and time as our Board may decide and announce not less than two (2) market days before the closing date). Cheques or any other modes of payment are not acceptable.

The payment must be made for the exact amount payable for the Warrants accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. No acknowledgement will be issued by our Company or the Share Registrar. If you are successful, a notice of allotment will be despatched to you by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk within eight (8) market days from the last date for acceptance and payment for the Warrants or such other period as may be prescribed by Bursa Securities.

In respect of unsuccessful or partially successful excess Warrants applications, the full amount or the surplus application monies, as the case may be, will be refunded without interest by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within fifteen (15) market days from the last date of application and payment for the excess Warrants.

**(iii) APPLICATION FOR EXCESS WARRANTS**

If you wish to apply for additional Warrants in excess of your entitlement, you may apply for the excess Warrants by completing Part I(b) of the RSF (in addition to Parts I(a) and II) and forwarding it (together with SEPARATE remittances made in RM for the full amount payable in respect of the excess Warrants applied for) in the form of banker's drafts, cashier's orders, money orders or postal orders drawn on a bank or post office in Malaysia and made payable to "HOVID BERHAD EXCESS WARRANTS A/C", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name in block letters and your CDS account number, to be received by the Share Registrar, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur by **28 May 2013 at 5.00 p.m.** (or such later date and time as our Board may decide and announce not less than two (2) market days before the closing date). Cheques or any other modes of payment are not acceptable.

The payment must be made for the exact amount payable for the excess Warrants applied. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. No acknowledgement will be issued for the receipt of the excess Warrants application or application monies in respect thereof. If you are successful, a notice of allotment will be despatched to you by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk within eight (8) market days from the last date of application and payment of the excess Warrants or such other period as may be prescribed by Bursa Securities.

The Board reserves the right to allot the excess Warrants, if any, applied for under Part I(b) of this RSF in such manner as it deems fit and expedient in the best interest of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board set out in item (iii) (a) - (e) below is achieved. The Board also reserves the right not to accept or to accept any excess Warrants application, in full or in part, without assigning any reason thereof. It is the intention of the Board to allot the excess Warrants, if any, on a fair and equitable basis and in the following order of priority, where applicable:

- firstly, to minimise the incidence of odd lots;
- secondly, for allocation to Entitled Shareholders who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings in Hovid as at the Entitlement Date;
- thirdly, for allocation to Entitled Shareholders who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Warrants application;
- fourthly, for allocation to renounees who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Warrants application; and
- lastly, in the event that there are still unsubscribed Warrants after allocating all the excess Warrants, the remaining unsubscribed Warrants will be subscribed by the major shareholder of Hovid, Ho Sue San @ David Ho Sue San, who has given the Undertaking.

In respect of unsuccessful or partially successful excess Warrants applications, the full amount or the surplus application monies, as the case may be, will be refunded without interest by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk within fifteen (15) market days from the last date of application and payment of the excess Warrants.

**(iv) SALE/TRANSFER OF PROVISIONAL WARRANTS**

If you wish to sell or transfer all or part of the Provisional Warrants to more than one (1) person, you may do so immediately through your stockbrokers without first having to request for a split of the Provisional Warrants standing to the credit of your CDS accounts. To sell all or part of your Provisional Warrants, you may sell such Provisional Warrants on the open market of Bursa Securities for the period up to the last date and time for sale of the Provisional Warrants (in accordance with the Rules of Bursa Depository) on 17 May 2013 at 5.00 p.m. You may also transfer such Provisional Warrants to such persons as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for transfer of the Provisional Warrants (in accordance with the Rules of Bursa Depository) on 22 May 2013 at 4.00 p.m.

In selling/transferring all or part of the Provisional Warrants, you are not required to deliver any document to your stockbroker. However, you are advised to ensure that you have sufficient number of Provisional Warrants standing to the credit of your CDS accounts before the sale/transfer.

If you have sold/transferred only part of your Provisional Warrants, you may still accept the balance of your Provisional Warrants by completing Part I and Part II of this RSF. Transferees and/or renounees who wish to accept the Provisional Warrants may obtain a copy of this RSF from his/her stockbroker, our registered office, our Share Registrar's office or Bursa Securities' website (<http://www.bursamalaysia.com>).

**(v) GENERAL INSTRUCTIONS**

- All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- A Malaysian Revenue Stamp (NOT POSTAGE STAMP) of RM10.00 must be affixed on this RSF.
- The Warrants subscribed by you and/or your transferees and/or your renounees will be credited into your and/or their respective CDS accounts as stated in this RSF or the exact accounts appearing in the Record of Depositors provided by Bursa Depository.
- Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
- The contract arising from the acceptance of the Provisional Warrants by you shall be governed by and construed in accordance with the laws of Malaysia and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- The Board reserves the right to accept or reject any acceptance and/or application if the instructions above are not strictly adhered to or which are illegible.
- Entitled Shareholders and/or their transferees and/or their renounees should note that the RSF and remittances so lodged with Hovid's Share Registrar shall be irrevocable and shall not be subsequently withdrawn.