

## 6. INFORMATION ON THE PREMIUM GROUP

### 6.1 Incorporation

PREMIUM was incorporated in Malaysia under the Act on 12 August 2002 as a public limited company with an initial paid-up share capital of RM2.00. The issued and paid-up share capital of the Company as at the date of this Prospectus is RM168,500,002 comprising 273,000,004 ordinary shares of RM0.50 each. The principal activity of the Company is that of investment holding. The principal activities of its subsidiary and associated companies are set out in Section 6.5 of this Prospectus.

### 6.2 Share Capital

The authorised and issued and fully paid-up share capital of PREMIUM as at the date hereof are as follows:

	No. of shares	Par Value RM	Total share capital RM
<b>Authorised:</b>			
Ordinary shares	500,000,000	0.50	250,000,000
<b>Issued and fully paid-up:</b>			
Ordinary shares	273,000,004	0.50	168,500,002

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

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
12.08.02	4	0.50	Cash; Subscribers' shares	2
09.04.03	273,000,000	0.50	Issued pursuant to the Acquisition	136,500,002
26.06.03	2,000,000	0.50	Issued pursuant to the Share Exchange	137,500,002
*	62,000,000	0.50	Issued pursuant to the Debt Settlement	168,500,002

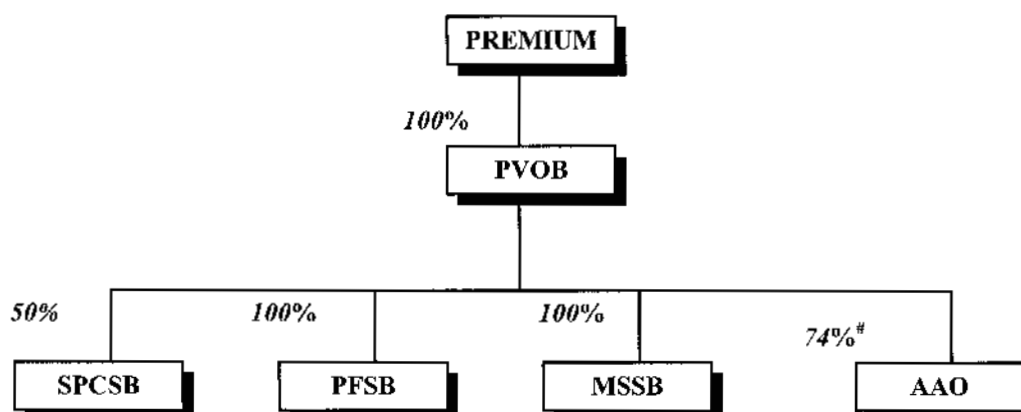
\* To be completed before the listing of PREMIUM on the Second Board of KLSE

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

### 6.3 Business overview

PREMIUM is principally an investment holding company whilst its main subsidiary company, PVOB is principally involved in the production of speciality fats targeted primarily at the food industry

The PREMIUM Group's business can diagrammatically be illustrated as follows:



*Note :-*

# Pursuant to the shareholders' agreement dated 22 August 2002, PVOB agreed to acquire 74% of the enlarged share capital of AAO, and has gained control of AAO from the date of the agreement. PVOB has an option to purchase the remaining 26% equity interest in AAO via a put and call option commencing in 1 January 2004. As at the date of this Prospectus, PVOB has acquired 52% equity interest in AAO. The acquisition of up to 74% equity interest in AAO will be completed by 31 July 2003. However, for the purpose of consolidation for the financial year ended 31 December 2002, the PVOB Group has consolidated AAO's results based on the effective interest of 74%.

#### 6.3.1 Manufacturing of Speciality Fats

##### (i) Background

The PREMIUM Group's business in speciality oils and fats started with PVOB. PVOB was incorporated under the name of Nalfico Premier Oils Sdn Bhd on 17 May 1978 as a private limited company, involved in the processing of palm kernels. In the same year, the company acquired a piece of land in Pasir Gudang measuring approximately 5 acres in area, for its manufacturing operations. A joint venture between Birla Eastern Ltd., India and NLFCS was formed on 8 May 1983 to provide management and technical expertise for the processing of palm kernels.

On 10 September 1985, Nalfico Premier Oils Sdn Bhd changed its name to Premier Nalin Sdn Bhd. Premier Nalin Sdn Bhd began commercial operations in 1986, and was primarily involved in the extraction of CPO. The company undertook a research and development programme from 1986 to 1987 to develop a process for the manufacturing of palm kernel stearin, a high value speciality fat, as part of the company's diversification programme. A pilot plant was set up in 1987 to produce palm oil kernel stearin. The pilot plant was converted into a moderate commercial scale manufacturing plant in 1988. Since then, Premier Nalin Sdn Bhd continued to become one of the major speciality fats producers in Malaysia.

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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In 1990, Premier Nalin Sdn Bhd acquired a palm oil mill in Kulai, Johor for a purchase consideration of approximately RM15 million in order to diversify upstream into processing fresh oil palm fruit bunches to ensure quality supply of feedstock.

Premier Nalin Sdn Bhd changed its name to Premium Vegetable Oils Sdn Bhd on 15 September 1992. The company was converted into a public limited company and assumed its present name on 28 June 1999.

PVOB considers itself a pioneer in the concept of a fully integrated lauric oil refinery facility. Its manufacturing process starts from the extraction of CPKO and leads to the production of value added products in the lauric range ("speciality fats"). The expansion in the area of speciality fats through the setting up of the hydro plant, crystallization plant, interesterification plant, flaking plant and new physical refining plant by PVOB which enables the production of a diversified range of speciality fats has contributed towards PVOB's improved profitability for the past five (5) years.

The PVOB Group operates from three (3) different locations, i.e. Pasir Gudang (Johor), Kulai (Johor) and Kakinada (India). The plant in India was recently acquired in August 2002.

**(ii) Principal Products and Services**

**(a) Products**

The PREMIUM Group is principally involved in two broad categories of activities:

- (i) Processing of commodity products such as oil palm FFB into CPO and palm kernel into processed commodity products; and
- (ii) Converting processed commodity products into speciality fats.

The range of processed commodity products produced by the PREMIUM Group is as follows:

- CPKO (Crude Palm Kernel Oil) : Oil obtained from the flesh surrounding the seed of the palm fruit;
- PKP (Palm Kernel Pellet) : By-products of palm kernels obtained as a residue through the extraction of oil from the kernel called palm kernel meal which is used as animal feed/ingredient;

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(a) Products (cont'd)**

- RBDPKO (Refined, Bleached and Deodorised Palm Kernel Oil) : Palm kernel oil which has been refined to remove all impurities such as odour, colour and fatty acid;
- RCNO (Refined Coconut Oil) : Coconut oil which has been refined to removed all impurities such as odour, colour and fatty acid; and
- Palm Kernel Fatty Acid Distillate : By-products that are obtained subsequent to the process of refining, bleaching and deodorising of CPKO.

Speciality fats are made from processed commodity products mentioned above through a series of production processes such as fractionation, hydrogenation, interesterification and blending for edible end use that comprise the following:-

- cocoa butter alternatives
- ice cream fats
- coating fats
- toffee fillings/ biscuit creaming fats
- cheese (vegetable fat based)
- peanut butter
- coffee creamer
- whipping cream
- margarine

PVOB produces speciality fats mainly from processed commodity products such as CPO, CPKO and CCNO since they are easily available locally. It also uses vegetable oils to produce speciality fats which include non-dairy/imitation fats, cream filling fats, shortenings, dough fats, interesterified margarine base stocks, high stability frying oils and vegetable ghees.

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (a) Products (cont'd)

Listed below are the range and brands of speciality fats produced by PVOB:-

	PRODUCT RANGE	BRAND	APPLICATIONS
1.	CBS	NCHOX 355E, NCHOX SUPREME	<ul style="list-style-type: none"> <li>NCHOX 355 is a high quality lauric cocoa butter substitute used extensively in the compound chocolate industry. It is recommended for moulded chocolates and high quality coatings.</li> <li>NCHOX 355E is a premium CBS with excellent snap and mouth feel.</li> <li>NCHOX Supreme is used for high end compound chocolates.</li> </ul>
2.	CBR SERIES	COCOREX	<ul style="list-style-type: none"> <li>Cocorex is used for CBR application, as it is a superior quality complete cocoa butter replacer.</li> <li>It has good demoulding characteristics, exhibits excellent gloss and is suitable for both moulded and coated products.</li> </ul>
3.	EXTRA HIGH STABILITY OIL	DURABEL	<ul style="list-style-type: none"> <li>Durabel is a high stability fat obtained by selective fractionation of hydrogenated vegetable oils.</li> <li>It is an excellent anti-dusting agent, colour and flavour carrier, spray coating and lubricant.</li> </ul> <p>It can also be used in candy centers, frying and in vegetable dairy products.</p>

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (a) Products (cont'd)

	PRODUCT RANGE	BRAND	APPLICATIONS
4.	CHOCOLATE SPREAD (Soya base and palm oil base)	SOFT SPREAD, (Soya base and palm oil base)	<ul style="list-style-type: none"> <li>• These are high quality non-lauric speciality fats for making the best quality chocolate.</li> </ul>
5.	COATING FAT	PCOTE 324, 346, 380	<ul style="list-style-type: none"> <li>• PCOTE series are premium-coating fats for biscuits, wafer, nuts and other confectionery items.</li> <li>• It is also used as an economical CBS for moulded chocolates and can be blended with products of NCHOX for economic purposes.</li> <li>• PCOTE 346 and PCOTE 380 are used to produce whipping cream of common grade.</li> </ul>
6.	CREAMING FAT	NCOTE 225, 313, 347, 357, 369, 370, 392	<ul style="list-style-type: none"> <li>• NCOTE series are commonly used for biscuit creaming, toffee filling and non-dairy creamer, as well as coating and center application in wafers, crackers, nuts and caramel.</li> <li>• NCOTE 370 and 392 can also be used for non-dairy creamer.</li> </ul>
7.	CHEESE REPLACER FAT	CHEZ 324	<ul style="list-style-type: none"> <li>• A specially developed cheese fat for non-dairy cheese.</li> </ul>

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (a) Products (cont'd)

	PRODUCT RANGE	BRAND	APPLICATIONS
8.	SHORTENING	PSHORT 369,482, 392, 505	<ul style="list-style-type: none"> <li>PSHORT series are palm oil based shortening, for use in bread, biscuits, pastries, margarine etc.</li> </ul> <p>The shortening can also be made from soya to produce high end bakery and pastry, center filling and creaming applications.</p>
9.	INTERESTERIFIED FATS	INFAT 102/S, 123/S, 202/S	<ul style="list-style-type: none"> <li>These are non-hydrogenated coating fats which can be used as a replacement to NCOTE series.</li> </ul>
10.	VEGETABLE GHEE	SUNGOLD, SUNGHEE, SUNRISE	<ul style="list-style-type: none"> <li>Sungold is a premium quality vegetable ghee made from a blend of hydrogenated soyabean oil and other vegetable oils to provide a fine texture, high stability and to imitate Milk Fat Ghees in every respect.</li> <li>Sunrise and Sunghee are palm oil based. These are available in consumer packs of 1, 2 and 4 kg, 450 grams and industrial packs of 15,16 and 18 kg tins.</li> </ul>
11.	FRYING FAT	HILIFE	<ul style="list-style-type: none"> <li>Hilife is a long life frying media made from special blend of oils, which offers high stability and can be used for multiple frying while retaining the original flavour of the food.</li> </ul>

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (a) Products (cont'd)

	PRODUCT RANGE	BRAND	APPLICATIONS
12.	HYDROGENATED PALM OLEIN	PBAKE 380,404, 448,482,525	<ul style="list-style-type: none"> <li>PFAT/PBAKE series are hydrogenated palm products for use in the margarine/other industries.</li> </ul> <p>They can also be used a frying fats and manufacture of emulsifiers.</p>
13.	HYDROGENATED PALM STEARIN	1. Hydrogenated Palm Stearin – Flakes (“HPS-F”)  2. Hydrogenated Palm Stearin - Bulk (“HPS-B”)	<ul style="list-style-type: none"> <li>HPS-F and HPS-B are hydrogenated palm stearin products in flakes and in bulk form. They are widely used in the emulsifier industry.</li> </ul>
14.	MILK FAT REPLACERS	MFR, SERIES 2428, 2932, 3033	<ul style="list-style-type: none"> <li>MFR – high quality vegetable fats specifically manufactured to meet various dairy applications without compromising on quality of finished products.</li> <li>MFR can be used as total or partial replacer of milk fats.</li> </ul>
15.	HARD PALM STEARIN	MARGO 11	<ul style="list-style-type: none"> <li>Margo is refined hard palm oil fractionation and can be used in the production of soup stocks, shortenings and no trans PUFA hard margarine stock.</li> </ul>
16.	SOFT PALM MID FRACTION	PMF3, PMF4	<ul style="list-style-type: none"> <li>Palm mid fraction is a product made by multiple fractionation of palm oil and is an excellent center filling soft confectionery fat.</li> </ul> <p>It can also be used as frying fat and shortening.</p>



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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(a) Products (cont'd)**

	<b>PRODUCT RANGE</b>	<b>BRAND</b>	<b>APPLICATIONS</b>
17.	TRANS FREE HARD FAT FOR MARGARINE	MAGFAT 50, CAF 50, MARGARINE 20	<ul style="list-style-type: none"> <li>• Interesterified blends of hard palm fraction and lauric oils are excellent base stocks for the manufacture of no trans PUFA hard margarine stock, non-hydrogenated table margarine.</li> </ul>
18.	ICE CREAM FATS	NICE 304	<ul style="list-style-type: none"> <li>• NICE 304 is hydrogenated coconut oil used for chocolate coatings on ice creams.</li> </ul>
19.	WHIPPING CREAM	NICE 368	<ul style="list-style-type: none"> <li>• NICE 358 is used to produce whipping cream of premium grade.</li> </ul>
20.	HIGH IV OLEIN	RPL 60, 62, 64, 65	<ul style="list-style-type: none"> <li>• Used as feed oil for Cocoa Butter Replacers, safe spreads and frying oil.</li> </ul>

**(iii) Market Position**

There are a number of players in the speciality fats industry in Malaysia due to the rapid development in the food industry and the availability of opportunities for potential producers to explore into the evolving taste patterns of consumers locally and worldwide. Presently, there are eight (8) major players in Malaysia namely, Cargill Speciality Oil & Fats, Intercontinental Speciality Fats Sdn Bhd, Kempas Edible Oils Sdn Bhd, Ngo Chew Hong Oil and Fats Sdn Bhd, Soctek Sdn Bhd, Southern Edible Oil Industries Sdn Bhd, Unitata Berhad/United Plantations Bhd and PVOB.

AAO's market position is relatively insignificant to the overall Indian market for speciality fats and non-speciality fats as its production is only 40,000 tonnes per annum as compared to the total refined oils and fats production in India of 11 million tonnes per annum. Therefore, its production will make up to less than 1% of the refined oils and fats production in India

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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Speciality fats are the main income contributor of PVOB, constituting approximately 44.9% of PVOB's turnover. The contributions from the various types of speciality fats produced by PVOB as at 31 December 2002 are set out below:

<i>Products</i>	<b>Share of PVOB's turnover (%)</b>
<b><u>Specialty fats</u></b>	
RBD PK Stearin	2.26
Hyd PK Olein	10.06
Moulding fat (Hyd PK Stn)	7.59
Palm shortening	7.97
Hydrogenated Coconut Oil	0.77
Hydrogenated PKO	2.76
Hydrogenated palm stearin	2.76
Interesterified fats	0.70
60/62/64/65 IV Olein	5.75
CBR	0.12
Soft Stearin	0.84
Ghee	1.17
Others	<u>2.16</u>
<b>Total sale of specialty fats</b>	<b><u>44.91</u></b>
<b><u>Non-Speciality fats</u></b>	
CPO	2.07
CPKO/CCNO	11.03
PKP	4.60
RBDPKO	9.36
RPKL	7.66
Palm Stearin	1.76
RCNO	8.73
RPO	0.16
PKFAD/PFAD	2.75
Others	<u>6.97</u>
<b>Total sale of non-speciality fats</b>	<b><u>55.09</u></b>
<b>Total sale</b>	<b><u>100.00</u></b>

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(iv) Speciality Fats Production Process**

A brief description of speciality fats production process undertaken by PVOB is explained below:

The process commonly used for the production of speciality fats are:

- Fractionation - A process which enables the separation of oil or fat into solid and/or liquid fractions.
- Hydrogenation - A process to incorporate hydrogen into a soft unsaturated oil or fat, which converts it into a harder saturated fat. Nickel is used as a catalyst to facilitate this.
- Interesterification - A catalytic process which alters the distribution of fatty acids in the glycerol molecules to produce speciality fats with different melting and crystallisation characteristics.
- Crystallisation - A cooling and homogenising process by which the fat is converted into a paste form for packing into cardboard cartons, tins and drums.
- Blending - A process of mixing two or more modified fats to achieve the physical properties of functionality required by the food manufacturer for a special application.

Please refer to the flowcharts in 6.3.1 (vii) below on the sequence of the production process of speciality fats based on lauric and non-lauric oils undertaken by PVOB.

- Speciality fats can be developed from processed commodity products such as CPO, CPKO and their fractions or coconut oil. The supply of CPO and CPKO is most reliable due to the abundant quantity available locally compared to coconut oil that fluctuates in supply.
- CPO is obtained by cooking, mashing and pressing the flesh surrounding the seed. In this process, the seed is separated from the flesh. The seed is then removed leaving the kernel which would be processed through solvent extraction method to yield CPKO. PKP is a by-product of palm kernels from the solvent extraction plant.

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**

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**(iv) Speciality Fats Production Process (cont'd)**

- CPKO is refined to remove all impurities through a process of bleaching and deodorizing by which the odour, colour and free fatty acids are removed. After the completion of this process, a type of near white oil which is called Refined Bleached and Deodorised ("RBD") is produced. CPKO and palm kernel fatty acids are obtained as by-products that are sold for the use in the manufacture of toilet and laundry soap.
- RBDPKO can be further modified by dry fractionation, detergent fractionation or solvent fractionation process to yield products of different composition.
- Fractionation usually results in a hard fraction or stearin and a soft fraction or olein. The detergent and solvent fractionation processes though efficient, are being phased out as consumers are becoming uneasy about use of solvent (mineral base compounds) in food processing due to health concerns. PVOB has developed its own solvent-free process through intensive research and development ("R&D") that is called dry fractionation or crystallisation. Through this process, oil is liquefied at high temperature and crystals are formed as the oil cools down.
- Hydrogenation process is carried out with hydrogen gas under pressure with a metal catalyst at a temperature ranging from 248 to 410 degrees Fahrenheit to remove unsaturated fatty acids. This will increase the oxidative stability of oils and raise the melting points allowing their physical properties to be modified for specific applications in the food industry. Depending on the extent of hydrogenation, the fat can be modified to various solid fat contents or hardness.
- Hydrogenated PKO or olein is of lower value compared to palm kernel stearin as it lacks the rapid meltdown property of the stearin.
- Interesterification or rearrangement is a catalytic process that alters the distribution of fatty acids in the glycerol molecules, thus, producing speciality fats with different melting and crystallization characteristics compared to the un-interesterified fat. This process has the ability to make a hard fat softer that are suitable for margarine and other applications without trans hydrogenation that have been implicated with coronary disease.

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(v) Production Plants****(a) PVOB**

PVOB's factory is located at PLO 66, Jalan Timah Dua Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor Darul Takzim, Malaysia. The factory comprises the following plants, and has a total gross built-up area of 467,824 square feet.

The details of the production plants are as follows:

Type of Plant	Existing use	Capacity TPD	Current capacity TPD
Solvent Extraction	Extraction of CPKO from palm kernel.	500 (kernel)	500 (kernel)
Refinery			
- Crude palm kernel oil refinery	Refining of CPKO to remove all impurities.	300	300
- Soft column refinery	Refining of speciality fats.	250	250
- Batch deodoriser/refinery	Refining of non-lauric (other vegetable oil other than palm kernel oil and coconut oil).	50	50

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (v) Production Plants (cont'd)

## (a) PVOB (cont'd)

Type of Plant	Existing use	Capacity TPD	Current capacity TPD
Hydrogenation plant	Incorporation of hydrogen into a soft unsaturated oil or fat thus converting it into a harder saturated fat with the use of nickel.	150 (oils)	150 (oils)
Interesterification plant	To alter the distribution of fatty acids in the glycerol molecules to produce speciality fats with different melting and crystallisation characteristics.	25	25
Crystallisation plant	Cooling and homogenising by which the fat is converted into a paste form for packing into cardboard cartons, tins and drums.	200	200

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(v) Production Plants (cont'd)****(a) PVOB (cont'd)**

Type of Plant	Existing use	Capacity TPD	Current capacity TPD
Fractionation plants 1, 2 and 3 (Non- lauric oils)	Production of mid-fractions from palm oil as well as hydrogenated soyabean oil by selective fractionation of the oil under controlled conditions to produce tailor- made speciality fats.	80	80
Pilot plants* - Hydrogenation plant - Deodoriser - Bleaching plant - Interesterification plant - Fractionation plant crystalliser	Pilot production of various types of speciality fats prior to mass production for sales.	50 kg per batch	45 kg per batch

*Note:*

\* *Pilot plants are designated for product development only.*

**(b) MSSB**

MSSB's factory is located at Lot 3460, Jalan Felda Inas, Bandar Tenggara, 81000 Kulai, Johor Darul Takzim, Malaysia. The factory comprises the following plants and has a total gross built up area of 51,533 square feet.

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (v) Production Plants (cont'd)

## (b) MSSB (cont'd)

The details of its production plants are as follows:

Type of Plant	Existing use	Capacity TPD	Current capacity TPD
Oil Palm Mill	Crushing of fresh fruit bunches for extraction of crude palm oil and palm kernel.	30 Tonnes per hour	30 Tonnes per hour
Refinery Plant*	Removal of Free Fatty Acids as well as colour & odour.	250	250
Fractionation Plant*	To separate liquid olein and hard stearin.	200	200
Packing Plant*	Packing in pouches, jerry cans, drums and bottles.	100	100

Note:

\* These plants were constructed in October 2002. Trial runs were conducted since October 2002 until commercial production commenced in April 2003.

## (c) PFSB

PFSB's proposed factory will be located at PLO 66, Jalan Timah Dua Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor Darul Takzim, Malaysia. The factory that comprises the following plants, will have a total gross built up area of approximately 2,583 square feet.

The details of its proposed production plants are as follows:

Type of Plant	Existing use	Capacity TPD	Current capacity TPD
Margarine Producing Plant	Manufacturing of margarine.	20	Nil*



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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(v) Production Plants (cont'd)****(c) PFSB(cont'd)**

Type of Plant	Existing use	Capacity TPD	Current capacity TPD
Packing Plant	Packing in pouches, jerry cans, drums and bottles.	30	Nil*

*Note:*

\* *The construction of the plants is expected to commence by the third quarter of 2003 whilst commercial production is expected to commence by the fourth quarter of 2003.*

**(d) AAO**

AAO's factory is located at 6-11-44/2 Main Road Kukatpally, Hyderabad-530072, India. The factory that comprises the following plants, has a total gross built up area of approximately 8,000 square feet.

The details of its production plants are as follows:

Type of Plant	Existing use	Capacity TPD	Current capacity TPD
<u>Existing Plants</u>			
Refinery Plant <sup>1</sup>	Removal of Free Fatty Acids as well as colour & odour.	150 - basis CPO/FFA max 5%	150 - basis CPO/FFA max 5%
Neutralisation Plant <sup>1</sup>	Removal of Free Fatty Acids from soyabean oil and sunflower oil; as well as refining of sunflower oil and soyabean oil.	100	100

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (v) Production Plants (cont'd)

## (d) AAO (cont'd)

Type of Plant	Existing use	Capacity TPD	Current capacity TPD
<u>Existing Plants</u>			
Dewaxing Plant <sup>1</sup>	Removal of wax from sunflower oil.	100	100
Packing plants <sup>1</sup>	Packing in pouches, jerry cans, drums and bottles.	200	200
<u>New Plants</u>			
Fractionation Plant <sup>2</sup>	To separate liquid olein and hard stearin.	400	400
Hydrogenation Plant <sup>2</sup>	Incorporation of hydrogen into a soft unsaturated oil or fat thus converting it into a harder saturated fat with the use of nickel.	50 (per batch)	50 (per batch)
Post Refining Plant <sup>2</sup>	Refining of speciality fats after hydrogenation and freshening of oil.	50	50
Crystallization Plant <sup>2</sup> (Texturisation Plant)	Cooling and homogenising by which the fat is converted into a paste form for packing into cardboard cartons, tins and drums.	50	50

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(v) Production Plants (cont'd)****(d) AAO (cont'd)**

Type of Plant	Existing use	Capacity TPD	Current capacity TPD
<u>New Plants</u>			
Interesterification <sup>2</sup>	To alter the distribution of fatty acids in the glycerol molecules to produce speciality fats with different melting and crystallisation characteristics.	75	75

*Notes:*

1 Commenced commercial production in third quarter of 2002

2 The construction of the plants will commence by the second quarter of 2003, whilst commercial production is expected to commence by the third quarter of 2003.

**(vi) Technology/software/system used by PREMIUM**

The technology used by PVOB in the production of speciality fats is developed in-house, as the technological expertise is not readily available and the development of the technology would require technological investment which has a long gestation period from the commencement of research and development work. This creates a barrier of entry for potential players in the speciality fats industry.

Name of manufacturing software	Description
(i) Software : Genesis version 3	Monitoring and recording of coldroom and filter press parameters.
(ii) PLC : Moore PAC 353	Process automation controller of crystallization process
(iii) PLC : Siemens S5 (3 units)	Filter automations
(iv) PLC : GE Fanuc PLC	Control the crystallisation operations from Crystallisation and Degumming Plant from loading of oil, heating, cooling, etc
(v) PLC : Siemens S5	Slurry filtration process control automation
(vi) Monitoring Instrument : Yokogawa Daqlogger	Monitors and captures plant process parameters

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (vi) Technology/software/system used by PREMIUM (cont'd)

Name of manufacturing software	Description
(vii) PLC : Omron CPM1A	Crystallization process for Tirtiauz Plant
(viii) Software : Domain Batch Control System	Control of batch loading of oil
(ix) PLC : Allen Bradley SLC 500	Heat recovery system automation
(x) PLC : GE Fanuc	Control sequence and batching automation
(xi) Monitoring Instrument Yokogawa Daqlogger	Monitoring and captures plant process parameters
(xii) PLC : Siemens S5	Automation of RBD Plant
(xiii) PLC : Omron CPM1A	Filling machine automation
(xiv) Software : Domain Weight capture System	Capture and record weights of individual cartons
(xv) Software : Domain Drumming System	Control and monitor oils movement for drumming and process loss
(xvi) Software : Domain Packing Tank System	Monitoring oils levels, oils transfers and oil movements
(xvii) Monitoring Instrument Yokogawa Daqlogger	Monitor and capture plant process parameters

In addition to the manufacturing software mentioned above, PREMIUM has also developed certain in-house systems on its key production and supply functions as follows:

Type of Systems	Description	Number of years in use
(i) Contracts & Costing Systems	Keeps track of all sales and purchase contracts and its status.	6
(ii) Customer Service Systems	Keeps track of production planning and work order process status (dockets).	6
(iii) Production System	Keeps track of all consumption / production of the individual plants and its efficiency.	6
(iv) QC System	Keeps track of all quality details of production and shipments.	6
(v) Packing Plant Production System	Keeps production details of all work orders (dockets)	6
(vi) Warehouse System	Keeps track of finished goods inventory and details of packing, despatches and freight management.	6

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6. INFORMATION ON THE PREMIUM GROUP *(CONT'D)*

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(vi) **Technology/software/system used by PREMIUM *(cont'd)***

PREMIUM constantly reviews and updates its manufacturing and R&D softwares to cater to the needs of the industry. With the latest information technology available in the market, PREMIUM is able to meet its customers' specifications and produce more value-added speciality fats and oil products. Additionally, in view of the long-term business relationship with its clients, PREMIUM has maintained active partnerships with leading international companies in areas of technical support and updates, and developments in research and development.

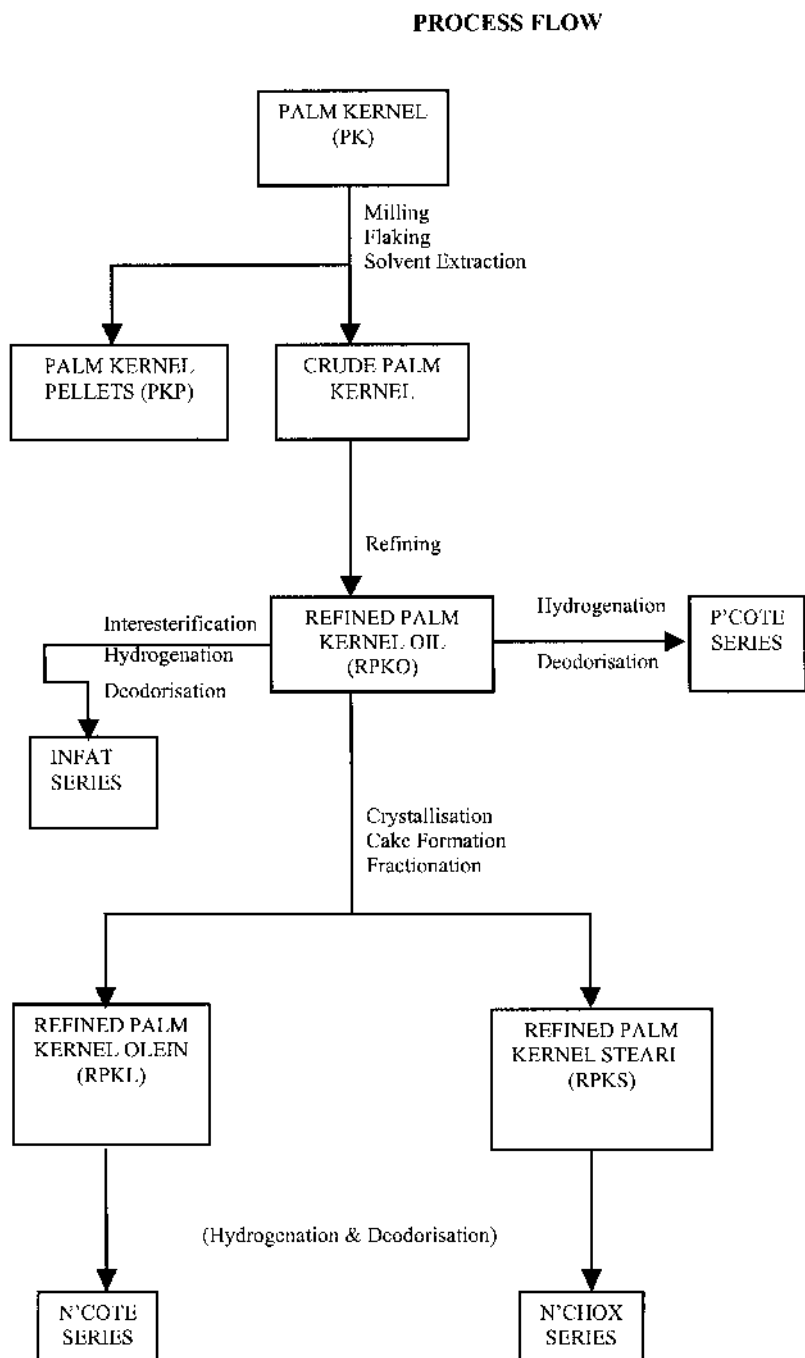
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6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

(vii) Production Process of Speciality Fats

Set out below are the flowcharts depicting the sequence of the production process of speciality fats based on lauric and non-lauric oils undertaken by PVOB.

(A) Lauric Oils Production Flow Chart



**EXPLANATORY NOTES**

Palm Kernel is delivered to PVOB.

Quality checked by the quality control ("QC") Department. Unloaded and stored in silos.

Palm kernel is milled & flaked. The crude oil is then extracted with solvent – Hexane.

The solvent extraction process produces crude palm kernel oil and palm kernel pellets (which are sold for animal feed).

The CPKO is then refined to RPKO.

The RPKO is hydrogenated and deodorised to product the P'COTE series of medium priced lauric Cocoa Butter Substitutes.

The RPKO is also used to make the Infat series by hydrogenation, interesterification and deodorisation.

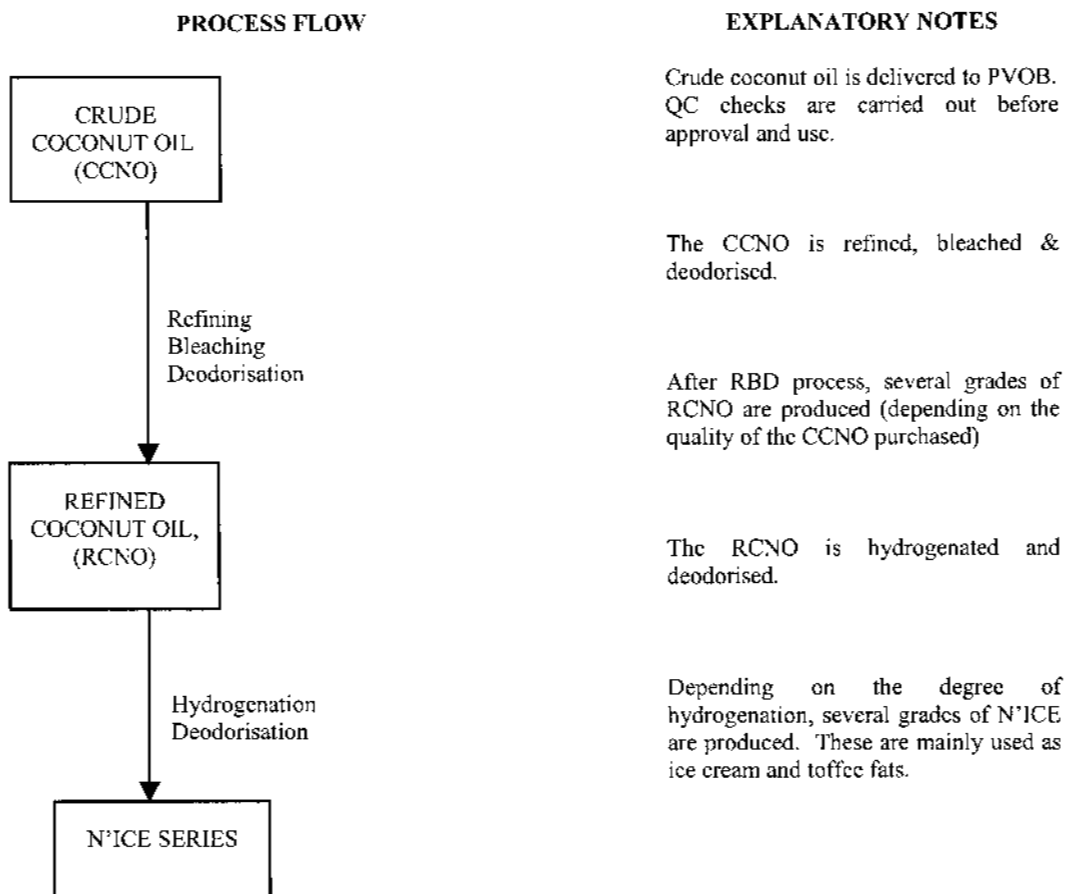
RPKO is cooled, crystallized & wrapped as cakes and fractionated hydraulically. It is also fractionated in the membrane press.

Fractionation of RPKO, gives a soft fraction of RPKL and a hard fraction of RPKS.

The RPKL & RPKS are then hydrogenated & deodorised respectively to produce a premium chocolate fat N'CHOX series and a low cost chocolate fat called the N'COTE series.

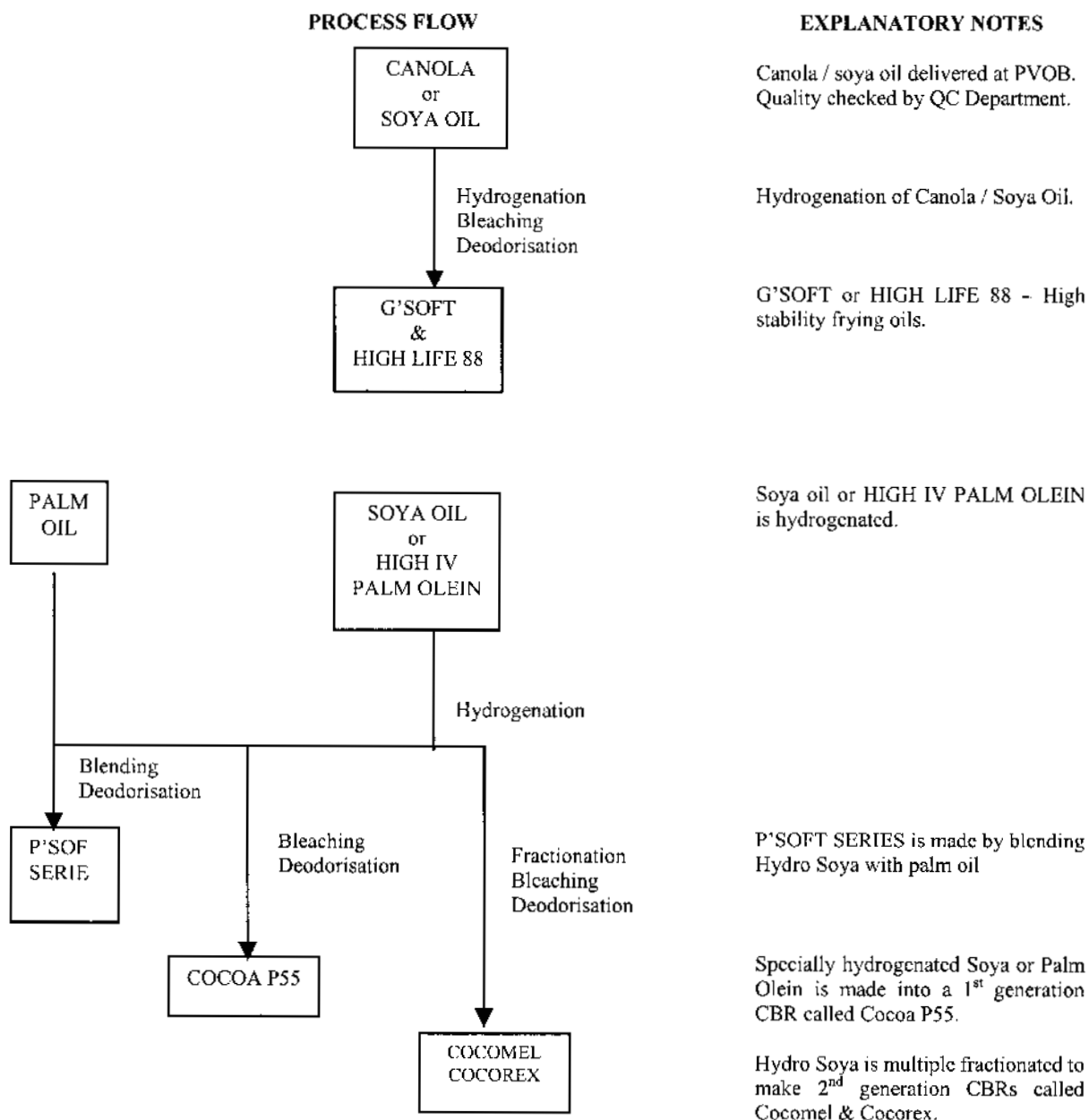
6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

(A) Lauric Oils Production Flow Chart (Cont'd)



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

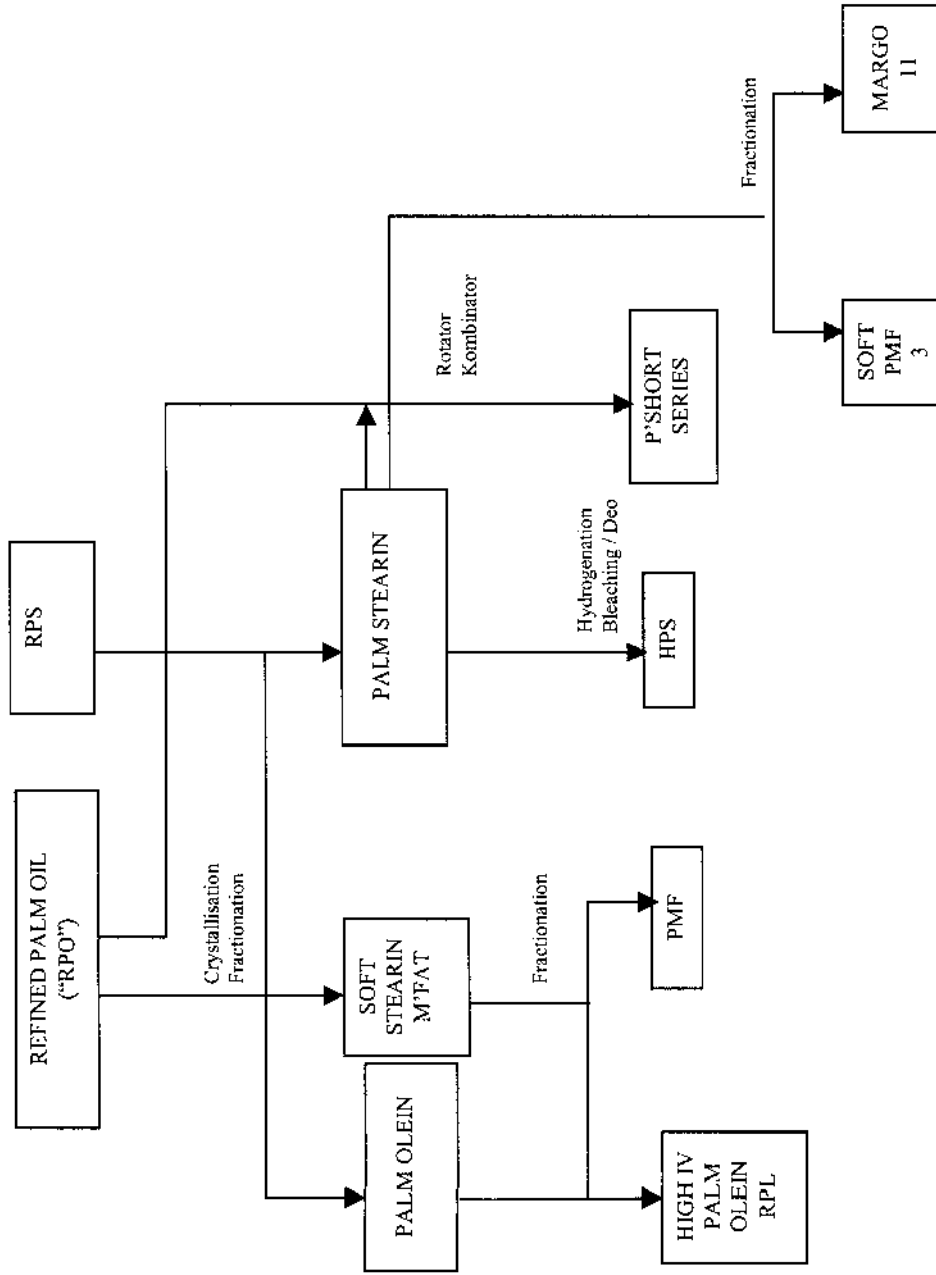
(B) Non-Lauric Oils Production Flow Chart





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

(B) Non-lauric Oils Production Flow Chart (Cont'd)  
**PROCESS FLOW**



**EXPLANATION NOTES**

RPO / RPS from supplier delivered to PVOB.  
 QC checks are carried out before approval and use.

RPO is crystallised into slurry form and fractionated.

RPO fractionation into several products like Soft Stearin, Palm Olein and Palm Stearin.

Palm Olein or Soft Stearin is further fractionated to give High IV Palm Olein and CBE grade PMF.  
 The Palm Stearin can be hydrogenated to make HPS.  
 RPS can be blended with RPO to make the P'SHORT series.  
 RPS is also fractionated to make Soft PMF3 and Margo 11.

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**

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**(viii) Principal Markets, End-Users And Demand****(a) Market**

The principal market for PVOB's finished products is the export markets, namely in Argentina, Australia, Bangladesh, Canada, Chile, China, Colombo, Cyprus, Denmark, Egypt, Ethiopia, Ghana, Greece, Hong Kong, Hungary, India, Indonesia, Iran, Iraq, Ivory Coast, Jordan, Kenya, Kuwait, Laos, Lithuania, Morocco, Myanmar, Nepal, Netherlands, New Zealand, Nigeria, Oman, Pakistan, Philippines, Russia, Romania, Saudi Arabia, Singapore, South Africa, South Korea, Sri Lanka, Sudan, Syria, Taiwan, Thailand, Turkey, USA, Ukraine, United Arab Emirates, Vietnam, Yemen and Zimbabwe. Based on the turnover analysis for the financial year ended 31 December 2002, approximately 57% of PVOB Group's turnover was derived from export sales while the remaining 43% of its turnover is derived from local sales. However, at the company level, approximately 72% of PVOB's turnover was derived from export sales while the remaining 28% is from local sales.

Currently, the PVOB's speciality fats are being distributed to the abovementioned countries through its 20 agents. For non-speciality fats, they are being sold in the open market.

The sales to domestic market comprise mainly the disposal of by-products arising from the processing of palm kernel whereby the residue from the crushing of PKP is used in the animal feed industry. The revenue generated through the disposal of by-products is normally used to offset the cost of raw material input.

As for CPKO, the sale of this commodity locally will decrease over the years as the focus shifts to the production of more value added products such as the speciality fats.

The sales contribution from the local and export markets to PVOB for the past five (5) years ended 31 December 2002 is illustrated in table below:

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (viii) Principal Markets, End-Users And Demand (cont'd)

## (a) Market (cont'd)

## Sales Contribution of the Local and Export Market Segment of PVOB's Products For the Past Five (5) Financial Years Ended 31 December 2002

	←-----Company-----→			←---Group---→	
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Export sales	249,818	219,962	167,961	145,170	201,446
Local sales	114,897	88,876	73,890	92,181	153,729
	<u>364,715</u>	<u>308,838</u>	<u>241,851</u>	<u>237,351</u>	<u>355,175</u>
% of exports to total sales	68%	71%	69%	61%	60%

PVOB is able to manufacture speciality fats according to customers' specifications. The target customers of PVOB are manufacturers of chocolate confectionery, coffee whitener, bakeries and others such as restaurants, hotel chains, fast food outlets, airline kitchens and manufacturers of snack food. PVOB's success lies in its commitment and emphasis on product quality, tailor made to customers' specifications and its after sales service.

## (b) Demand

The demand for speciality fats is directly linked to the food industry and it is also dependent on the economic outlook, population growth as well as social aspects of the country. Speciality fats can be classified into the following groups:

- \* Chocolate fats
- \* Confectionery fats
- \* Frying fats
- \* Shortening and Margarine
- \* Non food speciality fats

The demand for chocolate and confectionery fats is positively correlated to the purchasing power of consumers, standard of living, population growth, socio-economic conditions, culture and food habits. However, the degree or relationship with the aforesaid variables varies for each category of products. For instance, the consumption of chocolate products, wafers and various other confectioneries increases with affluence. Some of the confectionery products like biscuits and coffee whitener are considered as basic food items and therefore, highly correlated to population growth. Similarly, frying fats and shortening are considered a basic need, hence, they are less susceptible to affluence but are correlated to population growth.

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(viii) Principal Markets, End-Users And Demand (cont'd)****(a) Market (cont'd)**

Non-speciality fats products such as CPKO, PKP and RBDPKO are intermediary products. The demand for these products is the function of the demand for its usage in various industries (soap, olcochemical and animal feed). The Ministry of Primary Industries estimates that the world population would grow to 8.2 billion by year 2020. The per capital consumption of oils and fats is projected to increase to 20.6kg from 15kg presently. This implies that the demand for oils and fats is expected to grow from the current level of 100 million tonnes to 180 million tonnes.

*Source: PORLA*

Palm oil based products will always be in demand as they are priced competitively and accepted by consumers worldwide. Nutritional studies have shown that palm oil is safe and nutritious and it does not have any negative effects on health. As palm oil and speciality fats form the basic necessity and part of the healthy diet of most households, demand is fairly inelastic to price or income.

In light that food is a recession-resilient business and speciality fats based on vegetable oils play an increasing important role in the essential diet of consumers due to its health and nutritional benefits, it is very likely that such products are poised for growth in demand.

**(ix) Significant New or Proposed New Products**

The Company has undergone a re-engineering process since 1992 to increase its own production of speciality fats in value added finished products that generate higher profit margins compared to non-speciality fats that are price sensitive to international commodity market.

The Company plans to progressively introduce several new products into the speciality fats market in the near future as follows: -

<b>Year</b>	<b>New Products launched/to be launched</b>
2003 onwards	<ul style="list-style-type: none"> <li>• 70 IV Olein</li> <li>• Structural non-hydrogenated based stocks for manufacture of margarine</li> <li>• New type of cocoa butter equivalents from palm oil mid fraction</li> <li>• New type of milk fat replacers</li> </ul>

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(ix) Significant New or Proposed New Products (cont'd)**

Year	New Products launched/to be launched
2003 onwards (cont'd)	<ul style="list-style-type: none"> <li>• By-pass fat for animal feed that increases both the weight of animal and yield of milk as follows:               <ul style="list-style-type: none"> <li>(a) Emulsified fat for animal feed</li> <li>(b) Encapsulated fat for chicken/duck feed</li> </ul> </li> <li>• Low-trans cocoa butter replacer that is free from genetically modified organism</li> <li>• Various quality of margarine with no-trans that is healthier for human consumption</li> <li>• Low-trans high stability oils</li> <li>• Pan releasing agents</li> <li>• No-trans interesterified fractionated cocoa butter alternative fats</li> <li>• Upgraded PKP used in animal feed by adding enzymes suitable for ingestion</li> <li>• Powdered fat for human consumption and animal feed</li> <li>• Organic wax for candle manufacturers</li> </ul>

The Group has through its subsidiary, MSSB, set up a refining and fractionation plant at its premises at Kulai, Johor. The plant would enable production of a special grade palm oil/olein that is low in colour and free from fatty acid content. The special grade crude olein as well as crude stearin produced can be exported or further processed to produce high quality products compared to its commercial quality products.

There are also plans to produce non-dairy whipping cream, Analog Cheese, mayonnaise, puff pastry margarine and industrial and consumer grade margarine when the wholly owned subsidiary company, PFSB commences operations in the second half of year 2003.

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**

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**(x) Quality Control System**

A quality control system is established in the production process in particular the quality specifications that include the melting point, solid fat content and stability of the speciality fats set by its customers. The high quality of the products is reflected in the repeat orders received from existing customers and attainment of the ISO 9001: 2000 certification for quality assurance in year 1999.

Furthermore, stringent and systematic quality control measures are always in place to ensure quality and consistency in products. In particular, the Company only sourced its raw materials such as palm oil and CPKO from a selected panel of suppliers known for their quality products.

The Company also employs modern manufacturing technology that offers supreme quality speciality fats. In addition, the Company employs eight (8) full time quality assurance staff to ensure that only products of the highest quality are produced. The quality control staff will take sample at each stage of the process and test them to ensure that only high quality products are produced for the customers.

Furthermore, stringent quality control and measures relating to hygiene are also imposed by the Company to ensure that the fully equipped laboratory is of high standards. The management constantly strives to improve the quality of the products and is in the process of implementation of Hazard Analysis of Critical Control Point ("HACCP").

**(xi) Health, Safety and Environment**

Compliance with health, safety and environment requirements and regulations is one of the critical success factors in the speciality fats industry. As a responsible corporate citizen and in consistence with the Occupational, Safety and Health Regulations as well as industry expectations, PVOB has over the past six (6) years established a strong in-house policy on health, safety and environment.

To ensure that the production processes of CPO does not produce excessive pollution in the form of emission of dust and noise, PVOB has appointed an independent agent approved by the Department of Environment to constantly monitor the level of dust from the production of speciality fats. It also has a proper waste management programme by installing a wastewater treatment plant to treat the industrial wastewater.

It is the belief of PVOB that the upkeep of safety and the protection of environment and health are fundamental to all of PVOB's operation and activities. PVOB has set high standards to provide a safe working environment by adopting proven work practices and procedures, complying with legislative requirement and by systematically identifying hazards which may lead to personal injuries, illness, damage to property and the environment, fire and security losses.

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**


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**(xi) Health, Safety and Environment (cont'd)**

PVOB has maintained an impeccable safety record of 99% of man-hours worked without lost-time injury since 1999.

PVOB has continuously invested in staff training relating to occupational safety. The training courses attended by the employees of PVOB are as follows:

	Training / Course Title
1	Occupational Safety & Health Management
2	HACCP – System To Food Industry
3	HACCP – Good Manufacturing Practices
4	HACCP – Applications & Implementation in The Quality Assurance Programme
5	IIACCP – Food Hygiene And Sanitation Training
6	IIACCP – HACCP Awareness
7	IIACCP – Documentation Training Programme
8	Certificate in Safety and Health Officer

**(xii) Availability of Resources****(a) Raw materials**

The key raw materials for production of speciality and non-speciality fats for PREMIUM Group are FFB, palm kernel ("PK"), CPO, CPKO and CCNO. These key raw material constitute 78.72% of total raw material costs for the financial year ended 31 December 2002 and are sourced locally.

PVOB purchases raw materials of palm oil and palm kernel oil through short-term contracts from eight (8) suppliers. Palm oil has the advantage over other crops as it is a perennial crop in that it can be harvested over its economic life of 25 years.

In addition, PVOB is not constrained to using any particular raw material in producing speciality fats as there are many other alternative sources of vegetable oils such as soyabean oil, cottonseed oil and rapeseed oil apart from palm oil, palm kernel oil and coconut. Hence, PVOB does not expect to experience shortage in the supply of raw materials.

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (xii) Availability of Resources (cont'd)

## (b) Suppliers

The PVOB Group has a wide supplier base and is not dependent on any one supplier as none of its suppliers contributes more than 10% of purchases. PVOB also does not rely solely on the limited pool of suppliers but it can switch or change its suppliers should there be any shortage in supply. In total, PVOB has maintained approximately thirty (30) suppliers and each supplier has good records of timely delivery and competitive prices. In addition, most of its long term suppliers for palm kernel oil have been supplying the Group for more than eight (8) years.

The raw materials of PVOB are readily available in abundance in the Southern Region of Peninsular Malaysia and can be sourced locally whilst the remaining types of oils such as soyabean oil, cottonseed oil and rapeseed oil can be sourced from overseas. Thus, in view of the availability of raw materials locally and abroad for producing speciality fats, PVOB is highly unlikely to face shortage of supply of raw materials.

## Major suppliers of the key raw materials

	Suppliers	Materials Supplied	Purchases for the financial year ended 31 December 2002 RM'000	% over total purchases
1	Aik Hong Oil Mill Sdn Bhd	CCNO	4,211	1.5
2	Kinsan Brothers Oil Mills Sdn Bhd	CCNO	4,421	1.6
3	Chop Sin Heng Heng	CCNO	2,929	1.0
4	Syarikat Perusahaan Kelapa Sawit Sdn Bhd	PK	5,347	1.9
5	Tabung Haji	PK	5,574	1.9
6	Bell Prisawit Sdn Bhd	PK	4,171	1.5
7	Felcra Bhd	PK	3,800	1.3
8	United Bell Plantation Berhad	PK	1,914	0.7
9	Risda Berhad	PK	1,143	0.4
10	IOI Commodity Trading Sdn Bhd	PK	16,373	5.8
11	Taiko Plantation Berhad	PK	10,708	3.8
12	Guthrie	PK	7,726	2.7
13	Golden Hope Plantation Sdn Bhd	PK	6,291	2.2
14	Sime Darby Commodity Trading Sdn Bhd	PK	4,142	1.5
15	Kian Hoc Plantations Sdn Bhd	PK	3,981	1.4
16	Pan Century Edible Oils Sdn Bhd	CPO	785	0.3
17	Pertubuhan Pcladang Negri Johor	FFB	18,072	6.4



## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (xii) Availability of Resources (cont'd)

## (b) Suppliers (cont'd)

	Suppliers	Materials Supplied	Purchases for the financial year ended 31 December 2002 RM'000	% over total purchases
18	Eng Heng Trading	FFB	4,776	1.7
19	Syarikat Perniagaan Tee Seng Eng Sdn Bhd	FFB	3,610	1.3
20	Felda Plantation Sdn Bhd	FFB	4,700	1.7
21	Shoon Hong Rubber Co Sdn Bhd	FFB	599	2.1
22	Palm Oil Research Institute of Malaysia	FFB	1,559	0.6

Set out in the tables below are the details of the various supply contracts for palm oil and palm kernel between PVOB and its suppliers on long term basis:

**Supply contracts for palm kernel on long-term basis**

Suppliers	Contract Duration (year)	Length of Relationship (years)	Quantity for the year (metric tonnes)	Purchases for the financial year ended 31 December 2002 (RM'000)	% over total purchases
Syarikat Perusahaan Kelapa Sawit Sdn Bhd	1	7	7,843	5,144	31.37
Tabung Haji	1	8	4,405	2,909	17.74
Bell Prisawit Sdn Bhd	1	8	6,027	3,919	23.90
Felcra Bhd	1	8	3,844	2,512	15.32
United Bell Plantation Oil	1	8	2,840	1,914	11.67
TOTAL	-	-	24,959	16,398	100.00

## 6. INFORMATION ON THE PREMIUM GROUP (CONT'D)

## (xii) Availability of Resources (cont'd)

## (b) Suppliers (cont'd)

## Supply contracts for palm kernel other than long-term basis

Suppliers	Contract Duration (years)	Length of Relationship (years)	Quantity for the year (metric tonnes)	Purchases for the financial year ended 31 December 2002 (RM'000)	% over total purchases
IOI Commodity Trading Sdn Bhd	3 months	10	24,668	16,373	36.19
Taiko Plantation Berhad	3 months	10	15,578	10,708	23.67
Kumpulan Guthries	3 months	-	11,586	7,726	17.08
Golden Hope Plantation Sdn Bhd	3 months	8	9,341	6,291	13.90
Sime Darby Commodity Trading Sdn Bhd	3 months	7	5,913	4,142	9.16
TOTAL	-	-	67,086	45,240	100.00

## (c) Material Financial Arrangements With Suppliers

No credit terms are provided by the suppliers of palm kernels. PVOB has to pay the suppliers in advance for palm kernels purchased. However, for the purchase of liquid oil, PVOB will be given three (3) days grace period to pay for the supplies. Typically, no discount on bulk purchases is given by the supplier as the price movement of palm kernel varies in accordance with the erratic forces of demand and supply.

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**

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**(xiii) Research And Development**

The research and development department in PVOB has put in place the following manufacturing and research facilities in the production of speciality fats:

- Pilot plant comprising hydrogenation plant, deodorizer, bleacher, interesterification plant and fractional crystalliser;
- Gas chromatograph for detailed study and special analysis of oils and fats biochemistry;
- Applications kitchen for studies of speciality fats in the application of chocolate, ice cream, and toffee as well as frying; and
- A technical library for research and study purposes.

It is vital for PVOB to be responsive in technology in order to remain competitive edge in the speciality fats market. As consumers in the food products industry are showing an ever-wider variety of preferences, speciality fats producers are confronted with changes in taste pattern and technology production process.

As such, the research and development team of PVOB is continuously finding ways to improve its existing products and explore potential new products through innovative and cost effective methods. PVOB has an in-house research and development team who are trained in various disciplines and possesses knowledge to conduct research and development on new products and recipes that meet the varying needs of its customers.

The achievements of the research and development team are as follows:

- (a) Research and development work on non-lauric CBR and CBE;
- (b) Development of potential "supermarket products" such as vegetable ghee and margarine-based stock; and
- (c) Provision of customer technical support for applications of speciality fats in chocolate, ice cream and toffee.

In addition, PVOB has a pilot plant facility, which is used for product development purposes prior to upgrading to full commercial production. In this pilot plant, potential new products are produced on a small scale for testing and PVOB will provide samples of the products to potential customers before commencing full-scale production.

PVOB is continuously working towards improving the quality of its range of products and meeting customer requirements using in-house facilities and/or consultation with foreign consultants of speciality fats. PVOB has also engaged several well-known consultants such as Dr Ralph E. Timms from the United Kingdom, Dr V.K. Shukla from the International Science Foods Centre in Denmark and Mr Ray Cook, an engineering consultant from the United Kingdom to assist in the area of product development.

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**6. INFORMATION ON THE PREMIUM GROUP (CONT'D)**

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**(xiii) Research And Development (cont'd)**

Dr Ralph E. Timms is a consultant for fat production and application technologies whilst, Mr Ray Cook is an eminent specialist in the field of engineering plant and machinery for the oils and fats industry. In addition, PVOB has formed a strategic alliance with Nutri Swiss, Switzerland, AC Humco Corporation, USA and International Science Foods, Denmark for technical-know-how support.

**(xiv) Interruptions/Disruptions in Business**

There were no interruption in the business of the PREMIUM Group which had a significant effect of the operations of the PREMIUM Group during the past twelve (12) months.

**(xv) Key Achievements**

The certification and awards received by the PREMIUM Group in the manufacturing of speciality fats are as follows :-

- PVOB achieved the ISO 9001:2000 certification on 14 October 1999
- HACCP certification awarded by the Control Union World Group to PVOB for its animal feed products, (i.e. feed ingredients) on 10 December 2001. The said certification is valid until 9 December 2003. PVOB is currently applying for the HACCP certification for its speciality fat related products.

**(xvi) Marketing Strategies**

- PREMIUM leverages on its long standing relationship and rapport between the Company's agents and its overseas customers to maintain and expand its overseas market.
- As an integrated manufacturer, it has the ability to control the quality and supplies of oils and fats and has established its name and reputation for its reliability in producing quality products.
- It has an efficient and reliable workforce and has long-term commitment to customers by rendering innovative products and services that conform to each customer's requirements.
- It offers good after-sale services, trouble shooting, and provides recipes to customers on new speciality fats applications and conduct training on its products.
- The marketing strategies formulated by the PREMIUM Group will help the Group to diversify its customer base by encouraging more purchases by its existing customers and attracting new customers.