

9. OTHER INFORMATION ON THE PREMIUM GROUP

9.1 Major Approvals, Licences and Permits

(i) Licences

The manufacturing activities of PVOB are regulated by amongst others MITI and PORLA that governs the conduct of companies in the manufacturing of primary commodities such as CPO and CPKO. PVOB takes all necessary steps to ensure that the relevant requirements and regulations are complied with.

PVOB has obtained the latest industrial licence from MIDA for its speciality fats activities on 7 April 1999. The licences do not have any expiry date and will continue to be valid until involved by the relevant licensing authorities.

The licences held by the PREMIUM Group for the purpose of conducting its business are listed as below:-

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
MITI	10.11.84	Manufacturing Licence No. 001404, Serial No. A 019095 dated 4 September 2002 issued pursuant to the <i>Industrial Co-ordination Act 1975 ("ICA")</i> authorising PVOB to manufacture the following:-	Among the salient conditions are:-	Complied.	PVOB
	27.04.84	<ul style="list-style-type: none"> • Solvent extraction of crude palm kernel oil; • meal, refined bleached and deodorised ("RBD") palm kernel oil, olein and stearin; • RBD corn oil; • RBD soyabean oil; • RBD corn oil; • RBD groundnut oil; • RBD coconut oil; and • Fatty acid distillate. 	<ul style="list-style-type: none"> (a) The original shares held by foreign shareholders cannot be sold without prior approval from MITI; (b) PVOB shall as far as possible appoint Malaysian owned companies to distribute its products for local market and shall appoint Bumiputera distributors to distribute at least 30% of its sales in the local market. Selection and appointment of Bumiputera distributors shall be done after consultation with MITI. Appointment of foreign companies as distributors require the prior approval of MITI; and 		PVOB has appointed Malaysian companies to market its products locally but less than 30% of its local sales are marketed through Bumiputera distributors.

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(i) Licences (cont'd)

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
MITI (cont'd)			(c) At least 70% of PVOB's shareholdings must be held by Malaysian citizens including at least 30% being reserved for Bumiputera. PVOB is required to negotiate with MITI before the issuance of these reserved shares.	Complied	PVOB
	04.02.87	<ul style="list-style-type: none"> • Crude palm kernel olein and stearin; 			
	04.02.87	<ul style="list-style-type: none"> • Crude coconut oil, coconut meal, crude illipe butter, RBD illipe butter, illipe meal; 			
	09.09.96	<ul style="list-style-type: none"> • Margarine/ shortening, hydrogenated and/or interesterified palm kernel oil, olein and stearin; corn oil, soyabean oil; rapeseed oil, corn oil; coconut oil or blends; • Palm mid-fraction, cocoa butter equivalent, milk fat and cocoa butter substitute; • Distilled palm kernel fatty acid and distilled coconut fatty acid; 			
	07.04.97	<ul style="list-style-type: none"> • interesterified RBD palm oil, olein and stearin; and 			
	07.04.99	<ul style="list-style-type: none"> • Refined palm olein and refined hard stearin, at PLO 66, Jalan Timah 2, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor (as supplemented by MIDA's letter dated 9 September 2002) 			

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(i) Licences (cont'd)

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
MITI	10.08.00	Licence No. 013366, pursuant to the ICA authorising PVOB to manufacture RBD palm kernel oil and palm fatty acid distillate at PLO 66, Jalan Timah 2, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor.	As above	As above	PVOB
Royal Malaysian Customs ("RMC")	01.07.02 expiring on 30.06.04.	<p>Licence No. 41346; issued to PVOB pursuant to the Custom Tax Act 1965 ("CTA"), authorising PVOB to use the premises located at PLO 66, Jalan Timah 2, Kawasan Perindustrian Pasir Gudang, 81807 Pasir Gudang, Johor as a warehouse to store the finished goods liable to customs and duty as set out below:-</p> <ul style="list-style-type: none"> • Solvent extraction of crude palm kernel oil; • RBD palm kernel oil olein and stearin; • RBD corn oil; • RBD soyabean oil; • RBD corn oil; • RBD groundnut oil; • RBD coconut oil; • Fatty acid distillate. • Corn meal, soyabean meal and groundnut meal; • Crude palm kernel olein and stearin; • Crude coconut oil, coconut meal, crude illipe butter, RBD illipe butter, illipe meal; • Margarine/ shortening; hydrogenated and /or interesterified palm kernel oil, olein and stearin; corn oil, soyabean oil; rapeseed oil, corn oil, coconut oil or blends; • Palm mid-fraction, cocoa butter equivalent, milk fat and cocoa butter substitute; • Distilled palm kernel fatty acid and distilled coconut fatty acid; 	<p>Among the salient conditions are:-</p> <p>(a) At least 80% of the finished products are for export purposes, while 20% of the finished product is for the local market. The products for the local market are to be declared before they are marketed and are subjected to any duty/ tax imposed at that particular time;</p> <p>(b) PVOB is required to place a bank guarantee of RM 350,000 with the RMC, to guarantee the safety of the duty/tax to be imposed on the raw material/ components / finished goods in the Warehouse Licence and the removal of the taxable goods;</p> <p>(c) PVOB is required to inform the Deputy Custom Officer for the Control Of Factories within 14 days in the event the following matter occurs:-</p> <ul style="list-style-type: none"> • change in the numbers of the board of directors of PVOB; 	<p>Complied</p> <p>Complied</p> <p>Complied</p>	PVOB

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(i) Licences (cont'd)

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
RMC (cont'd)	01.07.02 expiring on 30.06.04	<ul style="list-style-type: none"> Hydrogenated and/or interesterified RBD palm oil, olein and stearin; Refined palm olein and refined hard stearin.	<ul style="list-style-type: none"> a resolution to wind up PVOB; an order to wind up PVOB; appointment of a receiver and/or manager for PVOB; and that PVOB is involved in any civil claims in relation to bankruptcy, winding up of business and others 		PVOB
RMC	01.07.02 expiring on 30.06.04	This licence (Licence No. 29675) is issued to PVOB pursuant to the CTA. Under the licence, PVOB is authorised to use the premises located at Pl.O 66, Jalan Timah 2, Kawasan Perindustrian Pasir Gudang, 81807 Pasir Gudang, Johor as a warehouse to store RBD palm kernel oil and palm fatty acid distillate that are subject to customs and duty.	As above	As above	PVOB
Department of Environment	01.07.02 expiring on 30.06.03. However, the licence has been renewed for another year from 01.07.03 to 30.06.04	Licence (Licence No. 014537) issued pursuant to section 11 of the Environment Quality Act, 1974 for MSSB to occupy the land located at Jalan Kulai Kuang for the purpose of carrying out the business of palm oil factory.	Conditions set out are in relation to the control of environmental pollution, in the process of carrying out MSSB's business of palm oil factory.	Complied	MSSB
PORLA	01.03.00 expiring on 29.02.04	Licence (No. 003633-103000) issued pursuant to Rule 13 of the Palm Oil Manufacturing (Licensing) 1979 Rule in relation to the Palm Oil Regulatory and Licensing Authority Act 1979 for the following at Level 27, Wisma Tun Sambathan, Jalan Sultan Sulaiman, 50000 Kuala Lumpur :-	Among the salient conditions is that PVOB must within three (3) months, notify in writing to PORLA, in the event there is a change in the shareholding, transfer of ownership, equity structure of PVOB, and change in the board of directors of PVOB.	Complied	PVOB

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(i) Licences (cont'd)

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
PORLA (cont'd)	01.03.00 expiring on 29.02.04	(a) sell and transport palm oil; (b) buy and transport palm oil; (c) sell and transport palm kernel; (d) buy and transport palm kernel; (e) sell and transport palm fatty acid; and (f) buy and transport palm fatty acid	As above	As above	PVOB
PORLA	01.11.02 expiring on 31.10.03	Licence (No. 007190-105000) issued pursuant to Rule 13 of the Palm Oil Manufacturing (Licensing) 1979 Rule in relation to the Palm Oil Regulatory and Licensing Authority Act 1979 for the following at PLO 66 and 222, Jalan Timah 2, Kawasan Perindustrian Pasir Gudang, 81807 Johor :- (a) to store palm oil, palm kernel oil; or palm fatty acid; (b) to export palm oil, palm kernel husk	Among the salient conditions is that PVOB must within three(3) months, notify in writing to PORLA, in the event there is a change in the shareholding, transfer of ownership, equity structure of PVOB, and change in the board of directors of PVOB.	Complied	PVOB
PORLA	01.01.02 expiring on 31.12.03	This licence (No Licence 007813-113000) was issued pursuant to Rule 13 of the Palm Oil Manufacturing (Licensing) 1979 Rules in relation to the Palm Oil Regulatory and Licensing Authority Act 1979 for import of palm kernel at the premises known as PLO 66, Jalan Timah 2, Kawasan Perindustrian Pasir Gudang, 81807 Pasir Gudang, Johor	Among the salient conditions is that PVOB must within three (3) months, notify in writing to PORLA, in the event there is a change in the shareholding, transfer of ownership, equity structure of PVOB, and change in the board of directors of PVOB.	Complied	PVOB
PORLA	01.07.01 expiring on 30.06.04	This licence (No Licence 006479-304000) was issued pursuant to Rule 13 of the Palm Oil Manufacturing (Licensing) 1979 Rules in relation to the Palm Oil Regulatory and Licensing Authority Act 1979, for the following at the premises known as Lot 3460 Mukim Layang-Layang, Kluang, Johor.	Among the salient conditions is that PVOB must within three (3) months, notify in writing to PORLA, in the event there is a change in the shareholding, transfer of ownership, equity structure of PVOB, and change in the board of directors of PVOB.	Complied	PVOB

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(i) Licences (cont'd)

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
PORLA (cont'd)	01.09.01 expiring on 30.06.04	(a) sell and transport palm fruit; (b) buy and transport palm fruit; (c) sell and transport palm oil; (d) buy and transport palm oil ; (e) buy and transport palm oil kernel; (f) sell and transport palm oil kernel; (g) process palm oil fruit, and (h) store palm oil, palm kernel or palm fatty acid.	As above	As above	PVOB
SGS United Kingdom Ltd - System Services Certification ("SGS")	25.02.03 expiring on 25.02.06	Quality management System of PVOB have been successfully assessed and is registered by SGS for meeting the requirement of ISO 9001:2000 (Certificate No Q16857)	Nil	N/A	PVOB
Jabatan Kemajuan Islam Malaysia	01.09.02 expiring on 31.08.03	Halal Certification for specialty oil products: (a) Licence No 006410 <ul style="list-style-type: none"> • BISCOFIL 346; • BODIFAT (800, 888); • CHEZ 324; • CHOX SPREAD 19; • COCOREX (100, 300PLS, 800S, 806S, 865S); (b) Licence No 006411 <ul style="list-style-type: none"> • CPKO; • DURABEL; • GASTRONOME SOFT; • HIGH LIFE 88; • HPS; (c) Licence No 006412 <ul style="list-style-type: none"> • HPS SUPREME; • INFAT (102, 123/S, 202/S56, 56E 955); • MAG FAT (30, 33, 40, 50, CAF 40, CAF 50); • MAGIN (20, 30, 40, 45, 50) • MARGO (11. 18); 	Nil	N/A	PVOB

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(i) Licences (cont'd)

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
Jabatan Kemajuan Islam Malaysia (cont'd)	01.09.02 expiring on 31.08.03	<p>(d) Licence No 006413</p> <ul style="list-style-type: none"> • MFR (2428, 2932, 3033); • N'CHOX (325E, 355, 355E, 355S, 375H, 7030E, SP 97, SP-90S, SUPREME); • N'COTE (225, 257, 279, 282, 291, 313, 346, 347, 357, 368, 369, 370, 392, 403, 435); <p>(e) Licence No 006414</p> <ul style="list-style-type: none"> • N'ICE (279, 302, 304, 348, 368, 392); • P'BAKE (380, 402, 424, 480, 502, 580, 580R); • P'CHOX 380; • P'COTE (324, 346, 368, 380, 413); • P'FAT (280, 326, 368, 380, 424, 448, 482, 580); <p>(f) Licence No 006415</p> <ul style="list-style-type: none"> • P'SHORI (2100, 2300, 369, 392, 426, 468, 482, 505); • P'SHORT (369N10, 369N20, 392N10, 392N20, 426N10, 426N20, 468N10, 468N20, 482N10, 482N20, 505N10, 505N20); • P'SHORT (369N10E, 369N20E, 392N10E, 392N20E, 435E); <p>(g) Licence No 006416</p> <ul style="list-style-type: none"> • P'SOFT (35, 45, 48); • PKP; • Palm Kernel (Stn 70, Stn 72, Stn 75, Stn 80); • PEF 111 <p>(h) Licence No 006417</p> <ul style="list-style-type: none"> • Refined Coconut Oil; • RPKO; • RPKL; • Refined Palm Oil; • RPL; 	Nil	N/A	PVOB

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(i) Licences (cont'd)

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
Jabatan Kemajuan Islam Malaysia (cont'd)	01.09.02 expiring on 31.08.03	(i) Licence No 006418 <ul style="list-style-type: none"> • PKFAD; • PKS 7583; • RPL (60, 62, 64, 65); • RPS; • RPS (33, 60, 65); (j) Licence No 006419 <ul style="list-style-type: none"> • Soft PMF 3; • Soft PMF 4; • Soft Spread (soya base); • Soft Spread (palm oil base); • SORIN (100 F); (k) Licence No 006420 <ul style="list-style-type: none"> • SUNGHEE; • SUNGOLD; • SUNRISE; • SUPERFRY (5640, 6060, 6080); • WHITE GOLD; 	As above	As above	PVOB
Kashruth Administrator Organizer Kashrus Laboratories, United States	01.01.03 expiring on 31.12.03	Kosher Certification (certified suitable for consumption for the Jews community) for its speciality and non speciality oil	Nil	N/A	PVOB
Local Authority of Pasir Gudang of the Johor State Corporation ("LAPG")	01.01.03 expiring on 31.12.03	For the occupation of their buildings located Lot/ PTD PL.O 58&66, No. Jalan Timah Dua 81700 Pasir Gudang. The CP also certifies that these buildings and its extensions have been built in accordance with the plans approved by the LAPG	Nil	N/A	PVOB
Ministry of Home Affairs, through its Immigration and National Registration Division ("MHA")	30.10.02 expiring on 31.10.03	Approval for PVOB to employ foreign workers set out below: (a) Sector : Industrial (b) Number : 35 (c) Country: Indonesia/ Thailand/ Cambodia/ Myanmar/Nepal Period of employment: 3 years only.	Nil	N/A	PVOB
MHA	29.05.03 expiring on 29.05.04	Approval for PVOB, to employ foreign workers set out below: (a) Sector : Industrial (b) Number : 35 (c) Country: Indonesia/ Thailand/ Cambodia/ Myanmar/Nepal Period of employment: 3 years only.	Nil	N/A	PVOB

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(i) Licences (cont'd)

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
Inspector of Factories, Kakinada-I	26.03.02 renewable annually	Licence No. 4074 in Form No. 4 permitting AAO to carry on the activities of the factory with 807 HP power supply plus 35 KW lying with maximum workers of 100 at New Port Area, ADH Road, Kakinada, India.	To comply with provisions of Factory Act, 1948 (India)	Complied	AAO
A. P. Pollution Control Board	02.02.02 renewable annually	Order No. 5110/PCB/ZO-VSP/TCH/2000-3349 according consent to AAO for carrying on the business of sunflower oil, soyabean oil, palm oil and acid oil.	Nil	Complied	AAO
Assistant Commissioner of Labour, Kakinada	Renewable annually	Certificate in Form-II, issued under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970, permitting employment of 110 contract labour for Watch and Ward, Green Belt Development Services and Utility Services.	Maintaining of statutory registers	Complied	AAO
Government of India, Ministry of Consumer Affairs Good and Public Distribution	28.02.02 and valid unless revoked by the directorate or surrendered by AAO	Certificate of Registration bearing No. 3/1/2002-SEO-Volume II, registering AAO as a factory for manufacture of solvent extracted oil.	Refined oil should be of standard quality as specified. However, the Registration Requirement has been waived.	Complied	AAO
Assistant Food Controller, Zone II Kakinada	16.03.02 expiring on 15.03.05	Certificate of Registration, under the provisions of Edible Oils Packaging (Regulation) Order 1998 permitting AAO to carry on packaging of edible oils viz, refined sunflower oil, refined groundnut oil, refined cotton seed oil, refined palm olein oil as registered packer in the premises in New Port Indrapalcm, Kakinada, India.	(i) Proper hygiene condition (ii) No employment of contagious disease person (iii) Purchase good shall be free from adulteration (iv) Registration number should be displayed in the premises	Complied	AAO
Assistant Food Controller, Zone-II, Kakinada	16.07.02	Licence in Form I, for the manufacture, sale, storage and distribution of edible oils vide Licence No. 668/EG/DL/PPA/2002-02.	Prevention of Food Adulteration Act, 1954 (India)	Complied	AAO

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(i) Licences (cont'd)

Authority	Date Issued	Subject Matter	Material Conditions	Status of Compliance	Held By
Government of India, Ministry of Industry, Development of Industrial Policy and Promotion	04.04.02	Acknowledgment recording the date of commencement of production as 28 March 2002 by AAO for manufacture of vegetable oils and fats	Nil	N/A	AAO
Joint Director, Director General of Foreign Trade, Ministry of Commerce, Government of India	Year of 2002	Certificate of IMPORT-EXPORT for vegetable oils and fats	Nil	N/A	AAO

(ii) Trademarks and Brand names

PVOB has registered a trademark for its product(s) in Singapore as follows:

Brand	:	Sunrise
Trademark No	:	T00/01275E
Registered under	:	PVOB
Country	:	Singapore
Goods	:	Vegetable oils, edible oils, margarine, shortenings, palm oil fractions, clarified butter, all in class 29
Class	:	29
Expiry Date	:	28.01.2010

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9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

9.1.1 Approvals and Conditions

The Restructuring Scheme was approved by the SC, FIC and MITI on the dates set out below:

Authority	Date of approval
SC	26 December 2002, 28 January 2003 and 19 June 2003
FIC	3 October 2002 and 30 December 2002
MITI	12 November 2002

In addition, KLSE had vide its letter dated 16 June 2003 granted the approval-in-principle for the admission to the Official List of the KLSE and the listing and quotation of the entire enlarged issued and paid-up share capital of PREMIUM of RM168,500,002 comprising 337,000,004 ordinary shares of RM0.50 each on the Second Board of KLSE.

Further, on 19 June 2003, SC had approved BHB's application to extend the period for implementation of the Restructuring Scheme for an additional six (6) months to 26 December 2003. The said extension of time is required as the completion of the Restructuring Scheme will only take place upon completion of the Offer for Sale and the listing of the entire issued and paid-up share capital of PREMIUM on the Second Board of KLSE, which is targeted on the 1 August 2003.

The conditions imposed by all the authorities and the status of compliance is set out as follows:

- (a) *Conditions imposed by the FIC vide its approval letter dated 3 October 2002*

Authority	Details of Conditions Imposed	Status of Compliance
FIC	PREMIUM to have at least 30% direct Bumiputera equity interest at the time of listing of PREMIUM on the Second Board of the KLSE.	To be complied.

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

Authority	Details of Conditions Imposed	Status of Compliance
FIC (cont'd)	As above	BHB had subsequently appealed to the FIC on the condition imposed vide its letter dated 3 October 2002. Subsequently, FIC vide its letter dated 30 December 2002 approved the appeal to allow PREMIUM to meet the 30% Bumiputera equity interest within one (1) year after the date of the listing and quotation of PREMIUM Shares on the Second Board of the KLSE.

(b) *Conditions imposed by the MITI vide its approval letter dated 12 November 2002*

Authority	Details of Conditions Imposed	Status of Compliance
MITI	<p>(a) To obtain approval from the SC and the FIC on the Proposed Listing Transfer;</p> <p>(b) PVOB is required to comply with the existing equity conditions imposed by MITI within three (3) years from the date of the MITI's approval. The equity condition imposed by MITI is as follows:</p> <p><i>“At least 70% of PVOB's shareholdings must be held by Malaysian citizens including at least 30% being reserved for Bumiputera.”</i></p>	<p>Complied. BHB received the approval from the SC and FIC on 26 December 2002 and 3 October 2002 respectively.</p> <p>Complied.</p>

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(c) *Conditions imposed by the SC vide its approval letter dated 26 December 2002*

Authority	Details of Conditions Imposed	Status of Compliance
SC	<p>(a) BHB is required to appoint an independent audit firm (which is experienced in investigative audit and has not been in the past and is not the current auditor of the BHB Group) within the next two (2) months from the date of the letter of approval of SC to conduct an investigative audit on the past business losses of BHB. BHB is also required to take the necessary steps to recover such losses.</p> <p>Based on the findings of the investigative audit, BHB has to report to the relevant authorities if there has been any breach of any laws, rules, guidelines and/or Memorandum and Articles of Association by the directors of BHB and/or other parties, which resulted in the losses of BHB.</p> <p>The investigative audit has to be completed within six (6) months from the date of the appointment of the said independent audit firm and the resultant findings have to be announced. Two (2) copies of the investigative audit reports must be made available to the SC after the completion of the investigative audit;</p>	<p>BHB had on 5 March 2003 appointed Messrs Monteiro & Heng to carry out the investigative audit.</p> <p>To be complied with.</p>

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(c) Conditions imposed by the SC vide its approval letter dated 26 December 2002 (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
SC (cont'd)	<p>(b) In the event the audited PAT of PREMIUM for the financial year ending 31 December 2003 is less than the PAT disclosed to the SC, all the Principal Vendors of PVOB must repay the said deficit in cash to PREMIUM, within thirty (30) days after the accounts of PREMIUM are audited;</p> <p>(c) In relation to the trade debtors which exceeded their credit periods, that have been disclosed to the SC, PREMIUM is required to comply with the following requirements:</p> <p>(i) BHB/PREMIUM must make full disclosure in the information circular to the shareholders of BHB dated 17 June 2003 ("Information Circular") and PREMIUM's Prospectus in respect of analysis of overdue trade debtors stating the amounts, credit period exceeded, reasons thereto, and whether provisions have been made in respect of debts that have exceeded the credit period. In addition, the directors are required to provide assessment and comments on the recoverability of debts that have exceeded the said credit period in the Information Circular to shareholders of BHB and Prospectus of PREMIUM;</p> <p>(ii) As disclosed to the SC on the recoverability of trade debts that have exceeded the credit period, the directors of PREMIUM are required to provide written confirmation to the SC that the said trade debts can be recovered; and</p> <p>(iii) If any trade debts that have exceeded the said credit period above cannot be recovered within six (6) months from the date of acquisition of PVOB, the Principal Vendors of PVOB are required to compensate PREMIUM in cash within thirty (30) days from the expiry of the said six (6) months period;</p>	<p>To be complied with.</p> <p>Appropriate disclosure has been made in Information Circular and Section 13.10 of this Prospectus.</p> <p>Complied. The letters of confirmation from the Directors of PREMIUM were furnished to the SC on 3 June 2003.</p> <p>To be complied with.</p>

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(c) Conditions imposed by the SC vide its approval letter dated 26 December 2002 (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
SC (cont'd)	<p>(d) In relation to the Inland Revenue Board ("IRB") non approval in relation to deductibility of certain expenses and Abatement of Income for Export (AAIE) and Abatement of 5% Indigenous Malaysian Raw Material (AIM), PREMIUM is required to comply with the following requirements:</p> <p>(i) BHB/PREMIUM must make full disclosure in the information circular to shareholders of BHB and PREMIUM's Prospectus in respect of the aforesaid taxation issues including the full disclosure of the taxation implication as analysed by the reporting accountants in the event the appeal on the aforesaid taxation issues are not approved by the IRB; and</p> <p>(ii) In the event that the appeal on aforesaid taxation issues are not approved by the IRB, the Principal Vendors of PVOB must compensate PREMIUM in cash within thirty (30) days from the date of the letter of rejection from IRB on the said appeal;</p> <p>(c) Full disclosure must be made in the Information Circular to shareholders of BHB in respect of the following:</p> <p>(i) Basis of arriving at the purchase consideration of PVOB; and</p> <p>(ii) Specific justifications to support the purchase consideration as well as PMBB's view on the reasonableness of the said purchase consideration;</p>	<p>Disclosure has been made in the Information Circular and Section 13.11 of this Prospectus.</p> <p>To be complied with when applicable*</p> <p>Disclosure has been made in the Information Circular and Section 7.2.4 of this Prospectus.</p>

Note

* The estimated penalty to be borne by the Principal Vendors arising from the taxation matters referred to in Section 13.11 of this Prospectus is approximately RM1.1 million and is mainly in respect of tax exempt dividend paid in prior years.

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(c) Conditions imposed by the SC vide its approval letter dated 26 December 2002 (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
SC (cont'd)	<p>(f) Full disclosure must be made in the Information Circular to shareholders of BHB and PREMIUM's Prospectus in respect of the following:</p> <p>(i) Emphasis of matters by the reporting accountants and PMBB. In addition, the directors of PREMIUM must explain and address the said "Emphasis of Matters" in the Information Circular to shareholders of BHB and PREMIUM's Prospectus;</p> <p>(ii) Material litigations including assessment and effects on the financial position of the PREMIUM Group in the event the said litigation are enforced. The said assessment and effects must be supported by directors' declaration and analysed by PMBB and the reporting accountants;</p> <p>(iii) Risk/impact in relation to implementation of the AFTA and WTO and effects on the competitive position of PREMIUM as a result of the implementation of AFTA and WTO. In addition, disclosure is also required on the steps taken/to be taken to overcome any adverse effects from the implementation of AFTA and WTO;</p> <p>(iv) Risk management plan and procedure to address the main risks of the PREMIUM Group, including risk of plant damage, fire incident, explosion, electricity crisis, and other risk that could disrupt the operations of the PREMIUM Group; and</p> <p>(v) Involvement of Y. Bhg. Tan Sri Dato' Dr. K.R. Somasundram in Kewalram Oils Sdn Bhd and Minsawi Industries (Kuala Kangsar) Sdn Bhd as director and the justification provided by PMBB to support PMBB's view that the aforesaid involvement will not give rise to a situation of conflict of interest;</p>	<p>Complied. Disclosure has been made in the Information Circular and Sections 5.14 and 10.5 of this Prospectus.</p> <p>Complied. Disclosure has been made in the Information Circular and Section 13.5 of this Prospectus. The written declarations from the Directors of PREMIUM were furnished to the SC on 3 June 2003.</p> <p>Complied. Disclosure has been made in the Information Circular and Sections 5.7 and 5.8 of this Prospectus.</p> <p>Complied. Disclosure has been made in the Information Circular and Section 5.4 of this Prospectus.</p> <p>Complied. Disclosure has been made in the Information Circular and Section 9.3 of this Prospectus.</p>

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(c) Conditions imposed by the SC vide its approval letter dated 26 December 2002 (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
SC (cont'd)	(g) PREMIUM Group must ensure that it has obtained all the required valid licences/permits to carry out its operations and complies with all the imposed conditions, if any, prior to the issuance of PREMIUM's Prospectus. In addition, PMBB is required to provide the SC with written confirmation from the directors of PREMIUM that the conditions have been fully complied with;	Complied. The letters of confirmation from the Directors of PREMIUM were furnished to the SC on 3 June 2003.
	(h) MSSB/PVOB must obtain the Certificate of Fitness for Occupation ("CFO") in respect of MSSB's premises within six (6) months from the date of SC's approval;	Complied. Majlis Daerah Simpang Renggam has vide its letter dated 17 April 2003 informed MSSB that it is not required to obtain CFO in respect of its premises.
	(i) Any expenses relating to the Offer for Sale must be borne by the Offerors and not PREMIUM;	To be complied with.
	(j) PREMIUM/PVOB is required to have a management succession plan. The said plan is required to be finalised and disclosed in the Information Circular to the shareholders of BHB and PREMIUM's Prospectus;	Complied. Disclosure has been made in the Information Circular and Section 8.5 of this Prospectus.
	(k) In relation to the Offer For Sale of 20,000,000 shares in PREMIUM by way of private placement to public investors, PMBB/PREMIUM are required to comply with the following conditions:	
	(i) At least 30% of the said placement shares are required to be allocated, where possible, to Bumiputera investor;	To be complied with.
	(ii) The placement of PREMIUM shares is required to be carried out through an independent placement agent (other than the placement to Bumiputera investors for purpose of complying with the requirements of Nasional Development Policy); and	To be complied with.

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(c) *Conditions imposed by the SC vide its approval letter dated 26 December 2002 (cont'd)*

Authority	Details of Conditions Imposed	Status of Compliance
SC (cont'd)	<p>(k) (cont')</p> <p>(iii) Upon completion, the adviser or independent placement agent, where relevant, is required to furnish for information purposes, the final list of investors and written confirmation that the said placement comply with paragraph 10.06, Chapter 10 of the SC Guidelines;</p> <p>(l) PREMIUM Group is not allowed to venture into activities not related to its core business for a period of at least three (3) years after its listing on the Second Board of the KLSE;</p> <p>(m) PREMIUM Group must ensure that all its assets are adequately insured and it has adequate insurance coverage for potential accidents and damages that may arise as a result of hazards and other risk of PREMIUM Group's operation;</p> <p>(n) Directors and substantial shareholders of the PREMIUM Group are required to give an undertaking that they will not be involved in any business which is similar/competes with the business of the PREMIUM Group and that they will not use any information obtained through their involvement as directors and substantial shareholders of the PREMIUM Group which will result in losses to the business and operations of the PREMIUM Group.</p> <p>(o) Disclosure is required to be made in the Prospectus of PREMIUM that the directors and the substantial shareholders of the PREMIUM Group are presently not involved in any business that are similar/competes with those of the PREMIUM Group. The Directors of PREMIUM Group who hold full-time positions in the PREMIUM Group are not allowed to hold full-time positions in their personal businesses or other companies;</p>	<p>To be complied with.</p> <p>To be complied with.</p> <p>Complied.</p> <p>Complied. The letters of undertaking from the Directors and substantial shareholders of PREMIUM were furnished to the SC on 3 June 2003.</p> <p>Complied. Disclosure has been made in Section 9.3 of this Prospectus.</p>

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(c) Conditions imposed by the SC vide its approval letter dated 26 December 2002 (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
SC (cont'd)	Any future business transactions between the PREMIUM Group and companies related to the directors/substantial shareholders of the PREMIUM Group are required to be carried out on arm's-length basis and not based on terms which are detrimental to the PREMIUM Group.	To be complied with.
	The existing transactions between the said parties together with justification that such transactions are not detrimental to the PREMIUM Group, are required to be fully disclosed in the Prospectus of PREMIUM. The Audit Committee of PREMIUM is required to observe and the Board is required to report such transactions, if any, in the annual report of PREMIUM;	To be complied with.
	(p) Upon completion of the allocation, PMBB/PREMIUM is required to provide written confirmation to the SC that the share allocation to Directors, employees, suppliers, customers and agents of PREMIUM, as proposed under the Restructuring Scheme of BHB, complies with the requirements under Chapter 10 of the SC Guidelines; and	To be complied with.
	(q) PMBB and PREMIUM are required to fully comply with the relevant requirements of the SC Guidelines in respect of the Restructuring Scheme.	To be complied with.

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9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(c) Conditions imposed by the SC vide its approval letter dated 26 December 2002 (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance																														
SC (cont'd)	<p>(r) A moratorium is imposed on the 136,500,000 PREMIUM Shares, representing 50% of the total shares in PREMIUM to be received by PVOB Vendors ("Moratorium Shares"). In relation thereto, they are not allowed to sell, transfer or assign their shareholdings under the said moratorium for one (1) year from the date of the listing of the said shares on the KLSE. Thereafter, they are only allowed to sell, transfer or assign their respective shareholdings under moratorium up to a maximum of one third (1/3) of the said shares per annum. The abovementioned moratorium condition is also imposed on the ultimate shareholders of certain vendors whereby all the said ultimate shareholders are required to provide undertakings that they will not sell, transfer or assign their shareholdings in the respective companies for the duration of the abovementioned moratorium condition.</p> <p>The aforesaid moratorium condition is to be imposed on the following PVOB Vendors:</p> <table border="1"> <thead> <tr> <th>Vendor</th> <th>No. of shares under moratorium</th> </tr> </thead> <tbody> <tr> <td>NLFCS</td> <td>41,806,760</td> </tr> <tr> <td>SCSB</td> <td>*14,323,165</td> </tr> <tr> <td>FMSB</td> <td>12,498,599</td> </tr> <tr> <td>PVSB</td> <td>12,104,226</td> </tr> <tr> <td>Y. Bhg. Tan Sri Dato' Dr. K. R. Somasundram</td> <td>*23,963,402</td> </tr> <tr> <td>DVSB</td> <td>8,179,439</td> </tr> <tr> <td>PMCB</td> <td>7,476,004</td> </tr> <tr> <td>Oriental Development Finance Ltd</td> <td>2,696,570</td> </tr> <tr> <td>P. Balaram</td> <td>3,070,044</td> </tr> <tr> <td>Su Ming Keat</td> <td>2,777,466</td> </tr> <tr> <td>BKRM</td> <td>4,449,339</td> </tr> <tr> <td>HSBC Nominees</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">3,154,986</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">136,500,000</td> </tr> </tbody> </table>	Vendor	No. of shares under moratorium	NLFCS	41,806,760	SCSB	*14,323,165	FMSB	12,498,599	PVSB	12,104,226	Y. Bhg. Tan Sri Dato' Dr. K. R. Somasundram	*23,963,402	DVSB	8,179,439	PMCB	7,476,004	Oriental Development Finance Ltd	2,696,570	P. Balaram	3,070,044	Su Ming Keat	2,777,466	BKRM	4,449,339	HSBC Nominees			3,154,986	Total	136,500,000	<p>Under the revised SC's Policies and Guidelines on Issue/offer of Securities released on 11 March 2003, the moratorium condition is for a period of one (1) year from the date of the listing of the PREMIUM Shares on the KLSE.</p> <p>To be complied with.</p>
Vendor	No. of shares under moratorium																															
NLFCS	41,806,760																															
SCSB	*14,323,165																															
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HSBC Nominees																																
	3,154,986																															
Total	136,500,000																															

Note:

* The number of shares held under moratorium has been revised from the original SC's approval letter dated 26 December 2002 to facilitate the redistribution of 14,323,164 PREMIUM Shares under moratorium from SCSB to Y. Bhg. Tan Sri Dato' Dr K. R. Somasundram, which was approved by SC vide its letter dated 28 January 2003.

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

(c) Conditions imposed by the SC vide its approval letter dated 26 December 2002 (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
SC (cont'd)	(s) PMBB/PREMIUM are required to provide written confirmation in respect of compliance with all the above terms and conditions imposed at the end of each financial year of PREMIUM until the full implementation of the Restructuring Scheme, and all terms and conditions stated above have been fully complied with.	To be complied with.

9.2 Related Party Transactions

Save as disclosed below, there are no transactions, existing or potential, entered or to be entered by PREMIUM or its subsidiaries as at the date hereof, which involves the interest, direct or indirect, of the Directors, major shareholders and/or persons connected to them as defined under Section 122A of the Act.

Syarikat Pooram Sdn Bhd ("Pooram") which is indirectly controlled by Tan Sri Dato Dr. K. R. Somasundram, has an arrangement with MSSB for hire, on a monthly basis, two (2) lorry tankers for transport of their oil.

The transaction is on arms length basis and is not unfavourable to the PREMIUM Group based on the following:

The hiring charges in respect of the two (2) units of lorry tankers hired by PVOB from Pooram are lower than the quotations given by the other lorry tanker operators as set out below:

	Rental per month	
	Pooram	Quotations from other companies
Mild Steel Tanker	RM4,500	RM5,000/RM6,000
Stainless Steel Tanker	RM8,000	RM9,000/RM10,500

There are no transactions, existing or potential, entered or to be entered by PREMIUM or its subsidiaries as at the date hereof which involved the interest, direct or indirect, of its key management personnel.

9.3 Director's Interest in Related Business

Saved as disclosed below, none of the directors of PREMIUM are involved in similar business/activities as PREMIUM Group or which may give rise to possible conflict of interest:

One of the directors of PREMIUM, namely Y. Bhg. Tan Sri Dato' Dr. K. R. Somasundram, holds directorship in three (3) private holding companies which are involved in palm oil related business. However, the said involvement is not expected to give rise to a situation of conflict of interest, based on the following justifications:

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

9.3 Director's Interest in Related Business (cont'd)

- (i) Kewalram Oils Sdn Bhd ("KOSB") is principally engaged in the business of extracting oil from "spent-bleaching earth" collected from various oil refinery. These oils so extracted is dark in colour and is a mixture of soyabean oil, palm oil, palm kernel oil (various oils which are being refined in the Southern Region of Peninsular Malaysia) and is sold as technical oil for non-food items. The PREMIUM Group is mainly engaged in the business of food-grade oils and fats which differs from those of KOSB.
- (ii) Minsawi Industries (Kuala Kangsar) Sdn Bhd ("MISB"), the principal activities of which, are production of crude palm oil and palm kernels from the FFB which caters for demand from the Northern Region of Peninsular Malaysia, whereas PREMIUM Group's production is mainly to cater for internal use and demand from the Southern Region of the Peninsular Malaysia. The crude palm oil is sold regionally at different prices depending on regional demand and supply. Prices vary from region to region depending on transport cost. Hence, there is no competition between the regions. For example, users of crude palm oil and palm kernel oils in one region would not purchase from the other regions which is more expensive due to the higher transportation costs associated with the distance.

Furthermore, the production of crude palm oil and palm kernel oils of MSSB, a subsidiary company of PREMIUM contributes less than 1% of total production of palm oils and palm kernel oils in Malaysia. Therefore, MISB does not pose any significant competition to MSSB. Accordingly, MISB's business would not give rise to possible conflict of interest with the PREMIUM Group's business.

- (iii) Natural Oleo Chemicals Sdn Bhd ("NOCSB") is principally involved in the manufacturing and export of oleo chemical products, comprising fatty acids, fatty acids in the form of fractions and glycerides. These fatty acids are for industrial usage such as processing of leather and rubber. Hence, NOCSB's business is different from PREMIUM's business of food-grade oils and fats.

9.4 Declaration by Advisers

There is no conflict of interest between the PREMIUM Group and its Adviser, Reporting Accountants and Solicitors. The Adviser, Reporting Accountants and Solicitors are paid fees for their professional services.

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9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

9.5 Summary of Landed Properties

The summary of the information on landed properties of the PREMIUM Group is as follows:

	Registered owner	Description/ Title/Location/ Postal Address	Existing use	Land area	Tenure (Years)	Gross built- up/net lettable (square feet)	Age of buildings (years)	Audited net book value as at 31.12.2002 RM
1	PVOB	PTD 64908, H.S. (D) 151065 and PTD 84772, H.S. (D), 153378 Mukim Plentong, Daerah Johor Bahru, Negeri Johor <i>Postal address:</i> PLO 66, Jalan Timah Dua Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor Darul Takzim	Palm kernel oils extraction plant and other related buildings and industrial land and buildings designated for use as a lauric oil seed and oil processing plant	10 acres	PTD 64908, H.S. (D) 151965 (Leasehold for 60 years expiring on 15.09.2044) PTD 84772, H.S. (D) 274412 (Leasehold for 60 years expiring on 22.01.2049)	467,824	1 - 18	7,608,266 10,377,037
2	MSSB [#]	PTD 3445, H.S. (M) 692, PTD 3494, H.S. (M) 662, PTD 3425, H.S. (M) 658, PTD 3460, H.S. (M) 652, PTD 3472, H.S. (M) 651, PTD 3471, H.S. (M) 649, Mukim: Layang-Layang, Daerah Johor, Sungai Sayang, Negeri Johor <i>Postal address:</i> Lot 3460, Jalan Felda Inas, Bandar Tenggara, 81000 Kulai, Johor Darul Takzim	Industrial and agricultural land with a crude oil mill and refinery plant erected thereon	36 acres	Freehold	51,533	1 - 22	4,922,121

9. OTHER INFORMATION ON THE PREMIUM GROUP (CONT'D)

	Registered owner	Description/ Title/Location/ Postal Address	Existing use	Land area	Tenure (Years)	Gross built up/net lettable (square feet)	Age of buildings (years)	Audited net book value as at 31.12.2002 RM
3	Kakimada Sea Port Limited, leased by AAO	Survey No. 314 of Suryaraopet, Indrapalem Gram Panchayat Limits, East Godavari District, India <i>Postal address:</i> 6-11-4/2 Main Road, Kukatpally, Hyderabad 530072 India	Edible oil refinery and office building	20,323 square metres	Leasehold for 19 years expiring on 21.06.2021	8,000	1	4,248,120

Note:

the landed properties are in the process of being transferred from PVOB to MSSB.

Further details on the description and existing use of the above landed properties are as set out in Section 6.3.1 (v), pages 46 to 52 of this Prospectus.