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MAHATHIR-TONGKAT

DR MAHATHIR WITNESSES RM122 MLN SUPPLY OF TONGKAT ALI FOR KOREA

KUALA LUMPUR, May 23 (Bernama) -- The Prime Minister, Datuk Seri Dr Mahathir Mohamad witnessed the signing of a sales Memorandum of Understanding (MoU) between a Malaysian firm and a South Korean company for the supply of water-soluble *Eurycoma Longifolia* or "Tongkat Ali" extract worth RM122 million to Korea.

The MoU was signed between Phytes Biotek Sdn Bhd and Dae Seong Trading Company Limited in conjunction with the Prime Minister's official visit to Korea.

The agreement would see a five year supply of the Tongkat Ali extract to the Korean food and beverage manufacturing company, said chief executive officer and chairman of Phytes Biotek, Dr Johari Mohd Saad.

He said Phytes Biotek's Malaysian developed technology was able to extract quality components of Tongkat Ali.

"The no-side effects factor and varied uses of Tongkat Ali make it very attractive to the global market," he said in a statement issued from Seoul today.

"Our agreement with Dae Seong will help to position Phytes' Tongkat Ali as a viable herbal alternative in the energy drink industry," he said.

"The growing awareness, acceptance and demand for our product have opened other avenues for market penetration. MAVCAP's investment and Dae Seong's agreement should increase the demand and consumption options," he added.

Mohd Azwar Mahmud, chief executive officer of Malaysia Venture Capital Management Bhd (MAVCAP), who also witnessed the signing, said that "The technology innovation, commercialisation and potential of global presence have made Phytes a very attractive investment for MAVCAP."

"This signing ceremony marks an important milestone for all three parties," he said.

Phytes and Dae Seong are stepping up into the international arena and MAVCAP is witnessing a Malaysian-based international nutraceutical firm in the making," Mohd Azwar said.

Under the MOU, Phytes Biotek would supply the Tongkat Ali extract while Dae Seong would formulate and market the extract into herbal energy drinks for their local and international market.

Dae Seong will also undertake distribution activities.

Phytes Biotek is a nutraceutical company led by Malaysian scientists who pioneered innovative extraction of tropical herbs.

Their technology platform in the herbal extraction process is planned for patenting. Phytes was the first recipient of a MAVCAP investment.

The company produces high quality herbal extracts and plans to venture into the production of herbal-based health care and other nutraceutical and phyto-medicine products based on Malaysia's plentiful biodiversity resources.

As a venture capital agency, MAVCAP was established to invest in technology-based entrepreneurs so as to spur the growth of the venture capital industry in Malaysia.

MAVCAP is an entrepreneurial partner and provider of seed and early stage venture capital and innovative financing in the ICT and high-growth sectors.

It is also dedicated to empower entrepreneurs to create new wealth and to generate excellent returns to stakeholders.

This is achieved through on-going and planned entrepreneurial development programmes; technology, business and financial assessments; market access; and professional management of funds, the statement said. --

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