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## 4. INFORMATION ON THE NVB GROUP

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### 4.1 History

#### 4.1.1 Incorporation and Principal Activities

NVB was incorporated in Malaysia on 19 December 2003 under the Companies Act, 1965 as a public company limited by shares. It was established to become the investment holding company of the Group in conjunction with the listing of the Company on the MESDAQ Market.

The core business activities of the Group are carried out by its subsidiaries, namely, NVSB, NTSB, IPSB, KPSB, DTSB and SISB. These include:

- volume manufacturing of high precision components, notably, for the HDD industry using CNC technologies;
- research, design, development and fabrication of jigs and fixtures comprising the air chuck assembly and pump chucking systems for CNC applications;
- design, development and fabrication of specialised cutting tools, moulds and dies;
- volume manufacturing of high precision micro components for digital cameras and HDD components using CNC auto-lathe technology; and
- design of tooling and volume manufacturing of high precision appearance parts using progressive die stamping for digital cameras, MP3 players and other consumer electronic devices.

#### 4.1.2 History of the Business

The history of the NVB Group dates back to 1995 with the incorporation of NVSB on 22 September 1995. Under the leadership and management of its founder, Choo Wing Hong, NVSB started off as a specialist in precision engineering, utilising turning, tapping and drilling CNC machines. Over the years, the company has improved on and invested in, inter-alia, precision technologies, R&D on product and process development, product quality and capital expenditure on plant equipment in order to equip itself with the latest technologies and know-how to carry on volume manufacturing of high precision components while maintaining consistently high quality.

Under the helm of Choo Wing Hong, the Group Managing Director, who has more than 19 years in-depth experience in the specialised high precision machining industry, NVSB has successfully expanded from a small outfit to one of the leading local high precision machining houses in Malaysia that is capable of volume manufacturing high precision components to a tolerance of +/- 1 micron.

Since its inception, NVSB has become an approved vendor to numerous MNC manufacturers / assemblers after venturing into mass production of metal precision parts for micro motors, HDD, computers, air-conditioners, automobiles, camera and audio-visual equipment.

Currently, the NVB Group is an approved vendor of the following MNCs:

- Asahi Kosei (M) Sdn Bhd for the supply of HDD disk clamps, automotive components and digital camera components;
- MKE for the supply of spindle motor hubs;
- Western Digital for the supply of HDD disk clamps and spacer rings;
- Konica Minolta Optical Products (Shanghai) Co., Ltd., Konica Minolta Optical Technologies (Shanghai) Co., Ltd. and Konica Minolta Precision Engineering (M) Sdn Bhd for the supply of digital and filmed camera components;

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

- Diamet Klang (M) Sdn Bhd (part of the Mitsubishi group of companies) for the supply of automotive and air conditioner sintered parts;
- Kenseisha (M) Sdn Bhd for the supply of HDD disk clamps, spacer rings and other computer components;
- Canon Opto (M) Sdn Bhd (part of the Canon Inc. group of companies) for the supply of digital and filmed camera components;
- Nidec-Copal (M) Sdn Bhd (part of the Nidec Corporation group of companies) for the supply of audio visual components;
- Hitachi Air-Conditioning Products (M) Sdn Bhd (part of the Hitachi Limited, Japan group of companies) for the supply of air conditioner components.

In terms of production facilities, NVSB began operations with a production facility of 2,000 square feet, 4 CNC machines and 10 operators. By 1997, NVSB had tripled its production machinery and had added a mechanised lapping facility to its setup. In the same year also, NVSB set up a new production facility at Balakong with production space of 12,000 square feet to produce non-HDD high precision parts and to provide better logistic and customer service. In 2001, NVSB moved into its new manufacturing plant in Meru, Klang, with a total production space of 33,000 square feet with 115 machines comprising CNC lathes, CNC tap and drill machines, lapping and ultrasonic washing machines supported by a workforce of 160 operators, 12 specialist engineers and a hi-tech quality control facility. The Balakong plant's machinery increased to 63 CNC lathes, and CNC tap and drill machines supported by 70 operators and 6 specialist engineers.

Presently, the Group operates from seven (7) plants situated within Meru, Klang and Balakong, Selangor Darul Ehsan. The Directors of NVB, however, do have the intention to consolidate its operations together with its headquarters within a single plant. The Group intends to utilise part of the proceeds from the Public Issue to acquire a piece of industrial land in Klang with the intention of constructing a factory to house the Group's headquarters and manufacturing plant.

The Group envisions itself to be a leader and world-class specialist and manufacturer of high precision components for the HDD, consumer electronics, semiconductor, plastic and automotive industries, and a provider of ancillary services, using state-of-the-art high precision technology. The NVB Group aims to be a major player in the engineering and data storage industry by offering value chain activities, otherwise known as a "one-stop" service provider, ranging from manufacturing capabilities to innovative engineering solutions and services for the global HDD industry, specialising in consumer electronics.

#### 4.1.3 Share capital and Changes in Share Capital

As at the date of this Prospectus, the authorised and issued and paid-up share capital of NVB are set out below:-

	<b>RM</b>
<b>Authorised share capital</b>	<b>50,000,000</b>
500,000,000 Shares	
<b>Issued and fully paid-up share capital</b>	
218,159,760 Shares	<b>21,815,976</b>

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

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

<b>Date of allotment</b>	<b>No. of ordinary shares allotted</b>	<b>Par value (RM)</b>	<b>Consideration</b>	<b>Total issued and paid-up share capital (RM)</b>
19.12.2003	2	1.00	Subscribers' shares	2
15.02.2004	20	0.10	Sub-division of shares on the basis of one (1) ordinary share of RM1.00 each into ten (10) ordinary shares of RM0.10 each	2
31.01.2005	218,159,740	0.10	Shares issued pursuant to the Acquisitions by NVB at an issue price of RM0.10 per Share	21,815,976

Upon completion of the Public Issue, the enlarged issued and paid-up share capital of NVB shall be RM29,315,976 comprising 293,159,760 NVB Shares.

##### 4.1.4 Restructuring and Listing Scheme

In conjunction with and as an integral part of the Listing, NVB implemented a restructuring exercise which was approved by the following authorities:

- (i) MITI, vide its letters dated 29 April 2004 and 4 February 2005;
- (ii) SC and FIC (via SC), vide its letters dated 27 December 2004 and 18 March 2005; and
- (iii) Bursa Securities, vide its letter dated 29 December 2004.

Approval-in-principle has also been obtained from Bursa Securities on 29 December 2004 for the admission of NVB to the Official List of the MESDAQ Market and for the listing of and quotation for the entire enlarged issued and paid-up ordinary shares of NVB on the MESDAQ Market.

The restructuring scheme entails the following:

##### (i) Acquisitions

On 31 January 2005, NVB entered into several conditional sale and purchase agreements for the following:

- (a) Acquisition of 6,115,920 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of NVSB for a purchase consideration of RM21,659,055 to be satisfied by the issuance of 216,590,550 new NVB Shares at an issue price of RM0.10 per Share;
- (b) Acquisition of 125,367 ordinary shares of RM1.00 each representing 10% equity interest in NTSB for a purchase consideration of RM137,746 to be satisfied by the issuance of 1,377,460 new NVB Shares at an issue price of RM0.10 per Share; and
- (c) Acquisition of 20,000 ordinary shares of RM1.00 each representing 10% equity interest in KPSB for a purchase consideration of RM19,173 to be satisfied by the issuance of 191,730 new NVB Shares at an issue price of RM0.10 per Share.

#### 4. INFORMATION ON THE NVB GROUP (Cont'd)

NVSB then transferred to NVB all the shares held by it in its subsidiaries, namely 80% equity interest in NTSB, 100% equity interest in IPSB, 80% equity interest in KPSB, 80% equity interest in DTSB and 60% equity interest in SISB, at book value for cash. The internal restructuring exercise was completed on 31 January 2005, whereupon NVB became the holding company of NVSB, NTSB, IPSB, KPSB, DTSB and SISB.

The total purchase consideration of RM21,815,974 for the Acquisitions was arrived at based on the aggregated adjusted audited consolidated NTA of the acquiree companies as at 30 September 2003.

The new NVB Shares issued and allotted to the Vendors pursuant to the Acquisitions as consideration are as follows:

	<b>No. of shares held in acquiree companies disposed to NVB</b>	<b>No. of new Shares issued by NVB as consideration</b>
<b>Vendors of NVSB</b>		
Thoo Chow Fah	1,376,082	48,732,873
Choo Wing Hong	1,834,776	64,977,165
Choo Wing Onn	1,376,082	48,732,873
Lee Tian Yoke	611,592	21,659,055
Choo Wing Yew	305,796	10,829,528
Choo Wing Leong	305,796	10,829,528
Choo Wing Kin	305,796	10,829,528
	6,115,920	216,590,550
<b>Vendor of NTSB</b>		
Lee Chee Keong	125,367	1,377,460
<b>Vendor of KPSB</b>		
Ee Meng Pin	20,000	191,730
<b>Total</b>		<b>218,159,740</b>

The Acquisitions was completed on 31 January 2005. Upon completion of the Acquisitions, the issued and paid-up share capital of NVB increased from RM2 comprising 20 Shares to RM21,815,976 comprising 218,159,760 Shares.

(ii) **Public Issue**

Following the completion of the Acquisitions, in conjunction with the listing of NVB on the MESDAQ Market, the Company will implement a public issue of 75,000,000 new Shares at an issue price of RM0.63 each. Upon completion of the Public Issue, the issued and paid-up share capital of NVB will be increased from RM21,815,976 comprising 218,159,760 NVB Shares to RM29,315,976 comprising 293,159,760 NVB Shares.

The Public Issue Shares shall rank *pari passu* in all respects with the other existing issued and paid-up ordinary shares of NVB including voting rights and dividends and/or distribution that may be declared subsequent to the date of allotment of the Public Issue Shares and any surplus in the event of the liquidation of the Company.



#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

##### (iii) Listing

Pursuant to the Public Issue, NVB will seek admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of NVB of RM29,315,976 comprising 293,159,760 NVB Shares on the MESDAQ Market.

#### 4.2 Business Overview

To the best of NVB Directors' knowledge and belief, the NVB Group is one of the few fully integrated precision components and tools manufacturer based in Malaysia, with an extensive range of CNC machinery and technology to offer a one-stop solution in satisfying customer needs. It is capable of providing comprehensive multi-capabilities, covering end-to-end products and engineering solutions, for the HDD, consumer electronics and other targeted industries.

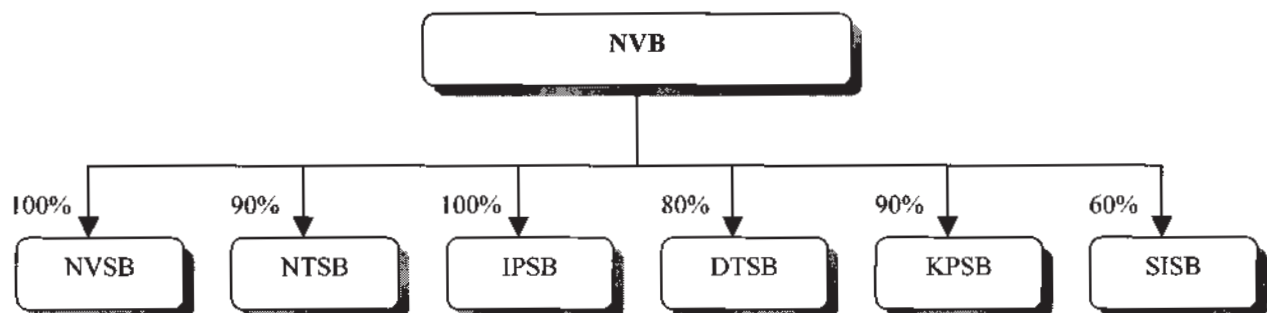
In 2004, there were two domestic companies involved in the supply of disk clamps and spacer rings to Western Digital, which is the sole HDD assembler in Malaysia. The NVB Group is one of the two domestic companies supplying HDD components to Western Digital. In terms of revenue, the NVB Group was the top supplier and commanded between 38% to 42% market share of the local demand for HDD disk clamps and spacer rings, in 2004.

*(Source: Frost & Sullivan, Executive Summary: Strategic Insights of the Hard Disk Drive Market, March 2005)*

Design and volume manufacturing of high precision components and tools for the HDD industry will remain the mainstay of the Group's business focus and activities. Nevertheless, the Group intends to reduce its reliance on the traditional computing HDD industry and is diversifying its products mix to cater for other industries, namely the HDD market for consumer electronics applications and non-HDD markets such as components for digital cameras. The Group is also focusing on extending and increasing its scope of activities to include the design, fabrication and development of high precision specialised tools, dies, jigs and fixtures for sale to MNCs and heavy industrial companies, given the growing demand from MNCs for a domestic tooling industry.

##### 4.2.1 Group Structure

The NVB Group consists of NVB and its six (6) subsidiaries, namely, NVSB, NTSB, IPSB, KPSB, DTSB and SISB. A diagrammatic illustration of the NVB Group's structure is set out below:



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#### 4. INFORMATION ON THE NVB GROUP (Cont'd)

##### 4.2.2 Principal Activities

The subsidiary companies of NVB and the principal activities of each of them are summarised below:-

Subsidiary	Date / Country of Incorporation	% effective equity interest (%)	Issued & paid-up capital (RM)	Principal Activities
NVSB	22.09.1995 Malaysia	100%	6,115,920	Design and volume production of high precision metal machining of HDD, computer, consumer electronic and electrical and automotive industries' components, and related R&D activities.
NTSB	20.06.2002 Malaysia	90%	1,253,675	Design, development and modification of cutting tool geometry, regrind or re-sharpen special cutting tools using CNC tool & cutter grinder and other grinding operations and marketing of diamond abrasive grinding wheels, PCD & PCBN inserts.
IPSB	17.07.2000 Malaysia	100%	100,000	Design, development, manufacture and marketing of precision jigs & fixtures, tools & dies for stamping, precision mould parts for plastic injection, trim & form tools for semiconductor industry and precision machine parts for the automotive and other high-value added industries.
DTSB	10.12.2003 Malaysia	80%	50,000	R&D activities leading to the design and production of the air chuck assembly system for soft clamping, tool-holders, gauges, dies, collets and lathe chucks for use by CNC machining applications.
KPSB	25.01.2000 Malaysia	90%	200,000	Design and development leading to the mass production of high precision micro parts and related R&D activities.
SISB	16.06.2004 Malaysia	60%	300,000	Design of tooling and volume manufacturing of high precision appearance parts using progressive die stamping for digital cameras, MP3 players and other consumer electronic devices.

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

##### 4.2.3 Products

The products manufactured by the NVB Group are as follows:-

<b>Product Description/Features</b>	<b>Application</b>	<b>Technical Specifications</b>
HDD Spindle Motor Hub	<p>A component in HDD electromotor assembly.</p> <p>The spindle motor provides the hub for attachment of the media, spacers and disk clamp as well as the armature and bearings to spin the media under the sliders at high rotational speeds.</p>	CNC turning and tapping from forged aluminium material. Finished product is stain-free and blemish-free.
HDD Disk Clamp	<p>A clamping component in the HDD platter assembly.</p> <p>A metallic disc installed via interference pressing or screws attachment to hold the media platter and disk spacer rings in place on the motor hub.</p>	CNC turning and tapping from bar aluminium material.
HDD Spacer Ring	<p>A spacer component between platters in HDD.</p> <p>The spacer ring is used to control the disk-to-disk spacing of the disk stack in the HDD.</p>	CNC turning and lapping from aluminium tube material.
Camera Cam Barrel	<p>A zoom component in cameras.</p> <p>The Cam Barrel enables the camera to change the focal length of its lenses.</p>	CNC turning 4-axis and anodising from tube aluminium material.
Various Camera Parts	Various applications in the camera	
<ul style="list-style-type: none"> <li>▪ Kolo Pins</li> </ul>	<ul style="list-style-type: none"> <li>▪ Kolo pin is an internal zoom lens guide mechanism.</li> </ul>	CNC turning and tapping from steel and aluminium material and CNC auto-lathe.
<ul style="list-style-type: none"> <li>▪ Lens Locking Ring</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lens locking ring is a component to lock the lens of the camera.</li> </ul>	CNC turning and tapping from aluminium tube material.
Air Conditioner Parts	Internal components for home air-conditioners.	CNC turning and tapping from sintered and forged steel.
<ul style="list-style-type: none"> <li>▪ Compressor Bearings</li> </ul>		
Automotive Components	Engine components such as gears, couplings, etc.	CNC turning and tapping from sintered and forged steel.
Special Cutting Tools	Used as specialised cutting tools in industrial heavy-duty applications.	CNC 5-axis grinding of solid carbide rods.
Cutting and Forming Punch and Die, Modifications of Die-Set, complete Die-Set Design and Fabrication	Tool and die for precision metal stamping industry.	CNC wire-cut EDM machining from steel material.

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

<b>Product Description/Features</b>	<b>Application</b>	<b>Technical Specifications</b>
Cutting and Forming Punch and Die, Locating Safety Pin, Modification of Die-Set, complete tool set design and fabrication, Cavity, Carbide gate insert, Runner and Cull Block, Port and Plunger and Ejector Pin	Tools and mould parts for the semiconductor industry.	EDM, precision grinding and wire-cut EDM machining of steel material.
Jigs and Fixtures	For CNC tap and drill application to be used in-house and by semiconductor and electronics industries.	Precision grinding, CNC milling and tapping from steel material and fixtures.
Air Chuck Assembly	For in-house and external high precision CNC lathe work holding application.	Wire cut EDM, CNC turning, milling and tap & drill.
Progressive Die Tooling	For three-dimensional metal stamping.	Wire cut EDM, CNC turning, milling and tap & drill.
Digital Camera Body Lens Ring	An external component used for reinforcing the lens hole and provides aesthetic value.	Progressive die metal stamping, CNC turning and milling, silk screening and tempo printing.

#### 4.2.4 Technology Used

The NVB Group's expertise lies in its ability to value-add to the different core CNC technologies utilised to design and manufacture high precision components and tools for its customers. This ability rests largely on its design engineers and skilled technicians, which are honed through in-house R&D activities. CNC technology offers three main benefits in the manufacturing of parts and components, namely, as follows:

- improves automation, which produces side benefits such as reducing operator fatigue and human errors, and increasing the consistency of production and predictable time for each workpiece;
- ability to produce mass copies of work pieces with consistent accuracy and repeatability; and
- flexibility to produce different work pieces using different tools with just a mere change of the CNC program, which is an important feature in the age of Just-In-Time manufacturing.

The manufacturing facility of the NVB Group is equipped with an extensive range of CNC machinery and technology required for the HDD, consumer electronics and other targeted industries covering end-to-end products and engineering solutions, as well as for internal R&D uses. The Group constantly invest in additional machinery and equipment to complement its existing pool of high precision equipment, in order to keep abreast with the latest advances in technology as well as to increase its production capacity.

The different types of CNC machines used by the NVB Group are as follows:

<b>CNC Machines</b>	<b>Primary Application</b>
CNC Lathes	Using computer digital commands to remove material from a rotating work piece using a moving cutting tool to form a cylindrical product.



#### 4. INFORMATION ON THE NVB GROUP (Cont'd)

CNC Machines	Primary Application
Auto-Loader CNC Lathes	Similar to a CNC lathe but with an added feature of a robotic arm which loads and unloads work piece automatically.
CNC Tap and Drill	Using CNC commands to actuate drill/tap cutting tool to machine work pieces which are clamped to a jig & fixture affixed on a moving pallet.
CNC Machining Centres	Similar to a CNC tap and drill but mainly end milling besides drilling, tapping, reaming, and counter-boring operations.
CNC EDM	Using CNC commands to cause electric spark erosion on very hard metal blanks to form specified shapes.
CNC Wire Cut EDM	Using CNC commands on a moving wire to remove materials by means of rapid controlled repetitive spark discharges.
CNC Automatic-Lathe	Using digital commands to operate automatic bar-stock turning material on a sliding headstock that keeps the work piece supported near the tool contact. Primarily used for producing sometimes slender or micro precision parts.
CNC Tool & Cutter Grinder	Using CNC commands to operate a 5 axes precision machine for grinding using diamond coated wheels to machine either carbide or high speed steel blanks into special cutting tools such as end mills, step drills, etc. The desired three-dimensional geometrical cutting flutes and tool shape will be programmed using CAD/CAM software.

Apart from the abovementioned core CNC applications used by the Group in producing high precision parts and components, the Group also relies on other technologies including progressive die metal stamping, silk screening, tempo printing, lapping, deburring/ polishing, wirecut EDM, grinding and milling, ultrasonic washing and hydrocarbon washing.

The NVB Group also uses CAD technology to help its engineers to design tools, jigs, fixtures, dies and other components according to the specifications of its customers.

#### 4.2.5 Patents, Trademarks and Licences

The Group has filed the following patent application with the Intellectual Property Corporation of Malaysia:

Patent Title	Application No.	Filing Date	Status and Remarks
An Air Chuck Assembly	PI 20040045	8 January 2004	Preliminary examination completed. Substantial examination is still pending.

The Air Chuck Assembly system was designed and developed by the Group's in-house R&D team. The Air Chuck Assembly uses pneumatic-driven power to soft clamp very delicate aluminium work pieces during the CNC machining process, without causing distortion to the work pieces.

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#### **4. INFORMATION ON THE NVB GROUP *(Cont'd)***

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The Group's invention provides a more efficient work holding system, which can reduce if not eliminate long downtime and considerable effort in conducting collet chuck changes when a different product needs machining. It is a highly critical and value-adding system process to the entire CNC process, in particular when forming high precision parts. With the Air Chuck Assembly, the Group is able to carry out rapid production ramp-up output for different component types consistently without sacrificing on quality issues.

The application for the abovementioned patent was filed in the name of NVSB, which has given DTSB the right to manufacture and market the Air Chuck Assembly.

Save for the above, the NVB Group currently does not hold any franchises from any third party nor any trademarks, industrial designs or patents registered with the Malaysian authorities. Going forward, the NVB Group intends to protect its intellectual property rights by patenting some of its products and solutions it has developed or will be invented in future.

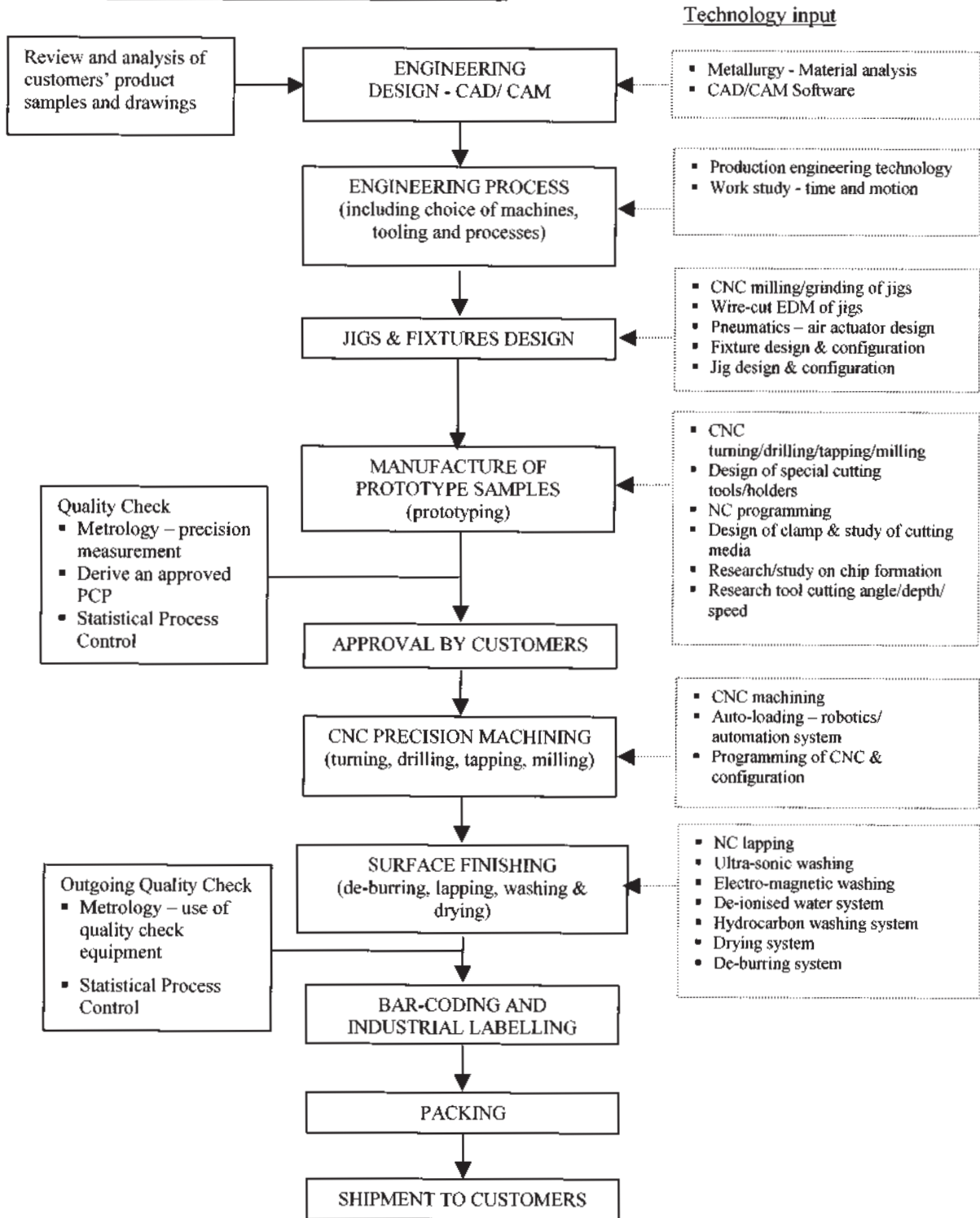
##### **4.2.6 Production Processes**

The generic schematic diagram below depicts the vertically integrated production process of the products of the NVB Group coupled with mass production technologies (where applicable) of the various subsidiaries in the NVB Group:

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4. INFORMATION ON THE NVB GROUP (Cont'd)

**Generic production process of the NVB Group**



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#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

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A brief description of the production process of the NVB Group is set out below:

1. Design Stage

During the design stages, the Group receives the specification of a product or the physical object from the customer. The working team, comprising both operations and R&D, using their knowledge of metallurgy, production engineering and tooling design capabilities, will decide on the optimum choice of CNC machines, cutting tools and engineering processes to manufacture the specific product.

2. Manufacture of Prototype for Customer's Approval

Prototypes of the product will be manufactured for scrutiny by the working team, who will ensure that the samples meet the stringent design and product specifications of the MNC customer. This includes precision tolerance within one (1) micron range during mass production of the said product. Subsequently, the prototypes are forwarded to the customer for approval.

3. Commencement of Manufacturing Process

Upon receipt of customer's approval, the manufacturing process commences, which typically involves CNC precision machining. The CNC technology utilised includes wire-cut EDM, EDM, turning, drilling, tapping and milling (depending on the products). During this stage, the R&D that went into the following aspects, amongst others, would be appreciated for facilitating production efficiency and quality consistency, and reducing downtime:

- design of special cutting tools, holders, clamping devices, etc;
- studies into the cutting speed of the customised cutting tools;
- formation and removal of metal chips during machining; and
- design of jigs and fixtures used for holding multiple workpieces in CNC tap & drill machines.

4. Surface finishing, de-burring, lapping, washing and drying

Surface finishing involves surface treatment on high precision micro parts for cleanliness as well as for protective coating. Other processes include de-burring, lapping, washing and drying to ensure a smooth, un-dimpled surface which prevents adhesion of foreign and unwanted particles and provide an exacting fit of HDD components during the assembling of HDDs.

As the products produced by the Group are primarily high-precision customised products, the quality control procedures commence right from the time the Group secures the job order to the point where the products are packed and shipped to customers. On-going quality checks take place all along the production line. The quality procedures include dimensional inspection verification using the science of precision measurement or otherwise known as metrology. Statistical process control is a vital element in controlling the manufacturing process.

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#### **4. INFORMATION ON THE NVB GROUP (Cont'd)**

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##### **4.2.7 Estimated Market Coverage, Position and Share**

To the best of the knowledge of the Group's directors, there are few local manufacturers of HDD and other ultra-precision components and tools that possess the same technical expertise and capabilities as the Group. Such expertise provides the Group with a competitive edge over its local competitors. Whilst there are competitors in the high-precision engineering industry, the Group is of the opinion that it does not presently have a direct competitor who competes identically in all of the Group's business areas. While Malaysian Industrial Development Authority ("MIDA") estimates the presence of 150 companies specializing in metal precision engineering in Malaysia, the majority of them do not have high precision capabilities and/or capacity to serve global MNCs such as Western Digital. Therefore, comparisons of the Group's competitors are on the basis of similar products and services offered.

In 2004, there were two domestic companies involved in the supply of disk clamps and spacer rings to Western Digital, which is the sole HDD assembler in Malaysia. The NVB Group is one of the two domestic companies supplying HDD components to Western Digital. In terms of revenue, the NVB Group was the top supplier and commanded between 38% to 42% market share of the local demand for HDD disk clamps and spacer rings, in 2004.

*(Source: Frost & Sullivan, Executive Summary: Strategic Insights of the Hard Disk Drive Market, March 2005)*

##### **4.2.8 Principal Markets, Marketing and Distribution**

The existing products of the NVB Group are sold in 3 target markets, namely:

- (i) the HDD industry, in respect of the supply of disk clamps, spindle motor hubs and spacer rings;
- (ii) the digital camera industry, in respect of the supply of cam-barrels, high precision micro components, die-stamped parts for digital cameras, and other digital and filmed camera parts; and
- (iii) the automotive, semiconductor, wafer fabrication, precision metal stamping and other high precision machining industries for the supply of diamond-cutting wheels, custom carbide cutting tools and custom made cutting tools for these industries.

In FYE 2004, export sales contributed approximately 61% to the total turnover of the Group. The NVB Group supplies component parts to the HDD market directly through their sales offices, without the use of marketing intermediaries like industrial distributors or manufacturer's representatives. This is mainly due to the fact that these products are not available off-the-shelves in the typical computer outlet and value added retailer. Each manufacturing order is custom-made according to the end-users' specifications and requirements. There are also only a handful of HDD manufacturers in the world, unlike consumer goods, which require an extensive network of marketing intermediaries for a wide coverage.

##### **4.2.9 Types, Sources and Availability of Raw Material/ Input**

The Group has established good relationships with most of its raw materials suppliers over the past years, thus, enabling it to maintain a lower cost position and to ensure high quality and availability of goods on a timely basis. The total raw material imports constituted approximately 37% of the Group's cost of sales in FYE 2004.

The bulk of the Group's raw materials comprise aluminium in the form of tubings, coils and bars. Apart from aluminium, the other major raw materials consist of cutting tools and PCD inserts, cutting oils and paraffin, and out-sourced services such as EN plating and anodising.

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All dealings and business relationships with the suppliers are conducted on an arms' length basis. None of the Directors or substantial shareholders has any interest, direct or indirect with the suppliers.

The major raw material or components of the Company's products and the source of supply of the same is disclosed in Section 4.6 of this Prospectus.

##### 4.2.10 Quality Control

The NVB Group believes in providing the best quality of their products by meeting and exceeding customer's requirements. To ensure that the Group consistently delivers high quality products and services, the Group has embedded quality control procedures in its daily operations. The quality control procedures commence right from the time the Group secures the job order to the point where the products are packed and shipped to the customers. Quality has always been one of the important priorities of the Group in view of the nature of its products, which have very tight tolerances in the micron range.

The quality assurance department uses statistical production control methods and Pareto Analyses as process control tools for ensuring minimum product rejects. The Group owns a complete range of quality control automated and semi-automated equipment to ensure quality consistency across the manufacturing process. Quality control tools such as Pareto Charts and Statistical Process Control is also used to ensure quality standards are maintained and tracked.

The NVB Group's commitment to quality has been recognised by it being approved vendors to MNCs such as Western Digital, Kenseisha (M) Sdn Bhd, MKE, Canon Opto (M) Sdn Bhd and Konica Minolta Precision Engineering (M) Sdn Bhd. To become an approved vendor for MNCs, the Group needs to undergo various levels of audits, not only on product quality conformance, but also manufacturing and process control requirements.

##### 4.2.11 R&D

###### *Overview*

The NVB Group's strength in the area of R&D is in designing and producing jigs, tools, fixtures, progressive dies, electronic and mechanical assemblies to be used with their CNC systems. The R&D capability is a very essential and value-adding activity offered by the NVB Group in order to develop, manufacture and produce high precision components and parts that will meet customers' specifications and quality requirements.

Apart from meeting customers' specifications and quality requirements, the continuous R&D activities undertaken by the NVB Group helps value-add to the NVB Group's business in terms of:

- Innovating and developing new capabilities, systems/processes and products that will allow the Group to have a competitive edge in the market.
- Improving and refining its engineering processes and technologies to meet customers' zero defect demand;
- Ensuring consistency in producing products of the highest quality standard;
- Reducing waste, thus lowering the cost of operation; and
- Innovating and developing new capabilities, systems/processes and products that will allow the Group to have a competitive edge in the market.

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

##### ***R&D Policy***

The Group's R&D activities is primarily divided into two streams:

(i) *New Product Development*

In this stream, the NVB Group will undertake R&D initiatives on parts and components received from customers, which require further development before mass production to ensure all samples meet the stringent requirements set by its MNC customers.

Some of the key activities include developing a PCP, designing and producing jigs and fixtures and progressive dies for each production process, incorporating engineering metrology for quality control requirements, developing CNC programs via machining research and conducting research to develop the appropriate tools.

(ii) *Existing Product Improvement*

R&D is carried out on its mass produced components in order to enhance product quality, productivity and effectiveness in engineering processes and technology.

The scope of the R&D activities for product improvement involves changes and the modification of engineering processes, improving jigs and fixtures and improving safety features to minimize exposure to accidents, carrying out machining research to improve on the relevant CNC programs to enhance productivity, and researching on tooling and the types of lubricant to enhance effectiveness.

##### ***R&D Personnel***

The Group's R&D activities are carried out by a thirteen (13)-member R&D team, headed by Choo Wing Hong, the Group's Managing Director. The primary R&D team personnel comprised within the Group's R&D team and their respective responsibilities are set out below:-

<b>Name</b>	<b>R&amp;D Designation</b>	<b>Responsibility</b>
Choo Wing Hong	Head of R&D	Responsible for formulating, implementing and leading the Group's R&D strategy.
Ee Meng Pin	Research Manager	Responsible for implementing special R&D projects and motivating the R&D team to achieve desired goals.
Choo Wing Leong	Metrology Engineer	Study of new machining processes and implementing inspection sheets, dimensional verification and Quality and Assurance compliance.
Ng Kok Sing	Machining Research Engineer	Section leader of CNC machining division and coordinating the R&D projects, problem solving and feedback to top management.
Chow Yew Meng	Design Engineer	Utilising CAD/CAM software and three-dimensional drawing for designing certain precision parts before the machining processes are established.
Yong Kim Seng	Progressive Die / Tooling Manager	Utilising CAD/CAM software and three-dimensional drawing for designing progressive die for metal stamping.



#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

##### *Present Status of R&D*

The R&D projects of the NVB Group that are carried out constantly are summarised as follows:

<b>Year</b>	<b>R&amp;D</b>
1995-ongoing	Design and production of a large assortment of specialised jigs and fixtures for applications in the manufacture of individual precision products.
1995-ongoing	Design and production of a large assortment of precision pin gauges for accurate determination of tolerable dimensions of machined parts.
1995-ongoing	Design and development of CNC cutting tool holders for accurate securing of cutting tools during the production process.
1996-ongoing	Design and development of pump chuck collets for CNC lathes applications.
1997-ongoing	Design and development of CNC clamping system for clamping parts during turning operation.
1998-ongoing	Design and development of special carbide cutting tools requiring complicated multi-dimensional geometry.
2004-ongoing	Design and development of progressive die tooling for metal stamping.

##### *Achievements in R&D*

The R&D efforts of the NVB Group have resulted in several achievements for the NVB Group, as highlighted in the table below:

<b>Year</b>	<b>R&amp;D Projects Completed</b>
2002	<ul style="list-style-type: none"> <li>▪ Designed an automated washing with mechanized agitation system for cleaning of HDD components.</li> <li>▪ Designed and developed the motorized adhesive applicator system for HDD components adhesive application.</li> </ul>
2003	<ul style="list-style-type: none"> <li>▪ Designed and developed an air chuck assembly for soft clamping in CNC lathes application known as the Air Chuck Assembly System. This is being patented for protection of design and innovation (see further details in Section 4.2.5 of this Prospectus).</li> <li>▪ Redesigned and reverse engineered air plug micrometer for precision measurement of HDD components.</li> <li>▪ Commenced and completed R&amp;D for submission of first sample approval for 2.5" HDD spindle motor hub.</li> </ul>
2004	<ul style="list-style-type: none"> <li>▪ Commenced and completed the R&amp;D for the production of 2.5" HDD spacer ring using DHS-1 stainless steel.</li> <li>▪ Commenced and completed R&amp;D for the design of progressive die tooling used to facilitate the manufacture of the body lens ring for digital camera.</li> <li>▪ Commenced and completed R&amp;D for the production of 1.8" and 2.5" HDD spindle motor hubs.</li> <li>▪ Completed and implemented improvements to the aqueous washing system with additional vacuuming features.</li> <li>▪ Commenced and completed R&amp;D for the manufacture of the lens bar guide for digital cameras.</li> </ul>



#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

##### *R&D Product Roadmap for 2005 – 2009*

Some of the major R&D product/process development milestones that the Group has and will undertake from 2005 – 2009 are illustrated in the table below:

<b>Year</b>	<b>R&amp;D Activities</b>
2005	<ul style="list-style-type: none"> <li>▪ R&amp;D to enable sub-micron machining capability.</li> <li>▪ First article qualification and production of 1.8" HDD spindle motor hubs, spacer rings and disk clamps using either DHS-1 stainless steel or other machinable ferritic stainless steel.</li> <li>▪ Automation of yoke assembly onto the spindle motor hub to reduce labour cost, improve productivity and minimise human error.</li> <li>▪ R&amp;D to produce PCD inserts for rotary tools, which will provide a new business opportunity.</li> <li>▪ R&amp;D to develop high precision mould parts for the semiconductor industry.</li> </ul>
2006	<ul style="list-style-type: none"> <li>▪ R&amp;D to incorporate a new downstream activity – Electroless-Nickel Plating Process (EN Plating) for greater vertical integration of the manufacturing process.</li> <li>▪ R&amp;D for first article qualification and production of 1.0" HDD spindle motor hubs, spacer rings and disk clamps using either DHS-1 stainless steel or other machinable ferritic stainless steel.</li> </ul>
Mid Term R&D Roadmap	<ul style="list-style-type: none"> <li>▪ R&amp;D for first article qualification and production of the spindle motor hubs, spacer rings and disk clamps for 0.85" HDD using either DHS-1 stainless steel or other machinable ferritic stainless steel.</li> <li>▪ R&amp;D to be undertaken together with a Korean company to co-develop prototype cubic jigs and fixtures for the automobile master model.</li> <li>▪ R&amp;D of an automated inspection system to improve quality control and eliminate human error during inspection.</li> </ul>
Long Term R&D Roadmap	<ul style="list-style-type: none"> <li>▪ OEM Assembly for Small Form Factor HDD (1.8" HDD and below).</li> <li>▪ To develop MEMS (micro-electrical mechanical system) technology for applications in the sub-micron components segment of the HDD, semiconductor and medical industries.</li> </ul>

##### *Investments in R&D*

The total investments made by the NVB Group in R&D for the last three (3) financial years was approximately RM3.08 million, which represented 3.1% of the total revenue of the NVB Group for the same period.

##### **4.2.12 Interruptions in Operations**

The NVB Group did not experience any disruption in business which had a significant effect on its operations during the twelve (12)-month period prior to the date of this Prospectus.

#### 4. INFORMATION ON THE NVB GROUP (Cont'd)

##### 4.2.13 Information on Employees

###### *Number of Employees*

As at 15 April 2005, the Group has 431 employees, of which 274 are foreign employees under contractual employment. The tenure of the employment contracts ranges between two (2) to five (5) years, of which the majority of such contracts are for a period of three (3) years. The human resource needs of the Group are expected to increase in tandem with the increase in the Group's sales and production growth due to an increase in activities and contribution from new and regional business opportunities. The Group aims to be at the forefront in its technology by conducting cross-training programs for its staff to ensure that they develop multiple skills and are kept abreast with related technological advancements. The Board of Directors of NVB has confirmed that all of its foreign workers hold valid working permits and are not in breach of any immigration laws in Malaysia.

The total number of employees and length of service as at 15 April 2005 are as follows:

Categories of staff	←-----Length of service----->				Total
	More than 8 yea	5 to 8 yea	2 to 5 years	Less than 2 years	
Management & Professional	5	8	3	4	20
Technical & Supervisory	6	11	21	25	63
Clerical and related operations	-	-	-	7	7
General workers	-	1	-	3	4
Factory Workers:					
- Skilled	10	3	51	224	288
- Non-Skilled	-	1	17	31	49
<b>TOTAL</b>	<b>21</b>	<b>24</b>	<b>92</b>	<b>294</b>	<b>431</b>

###### *Training and Development Programme*

The Group endeavours to provide a series of continuous training and development programmes for its employees, which include in-house workshops to update all the employees on the new developments in the Group. The employees receive technical and production training from the Group's in-house experts. The main objective of the training and development programme is to keep its staff informed about recent developments in HDD and consumer electronics industries and to further encourage overall productivity and efficiency.

In addition, the Group also encourages its employees to attend seminars and workshops to identify, evaluate and manage risks, to enhance management quality, staff benefits and to increase the competency level of its employees. The external training and development programmes that the staff have participated in include management courses, engineering courses and information technology training.

###### *Labour Union and Industrial Disputes*

The employees of the NVB Group are not members of any labour unions. There have not been any industrial disputes in the past between the employees and management.

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

##### 4.2.14 Key Achievements or Milestones

Summarised below are the key achievements of the NVB Group for the past nine (9) years:

Year	Development Milestones
1995	<ul style="list-style-type: none"> <li>▪ NVSB became and still is a vendor to Diamet Klang (M) Sdn Bhd (part of the Mitsubishi Group) for the supply of automotive and air conditioner sintered parts.</li> </ul>
1997	<ul style="list-style-type: none"> <li>▪ NVSB was appointed as and still is a vendor to both Asahi Kosei (M) Sdn Bhd for machining mainly industrial aluminium components and Kenseisha (M) Sdn Bhd for HDD spacer rings and other components.</li> </ul>
1998	<ul style="list-style-type: none"> <li>▪ NVSB became and still is a vendor to Nidec-Copal (M) Sdn Bhd (part of the Nidec Corporation group of companies) for the supply of audio-visual components.</li> <li>▪ NVSB commenced mass production of non-HDD components to Sharp-Roxy Corporation (M) Sdn Bhd, LG Electronics, Inc. and Akai Group.</li> </ul>
1999	<ul style="list-style-type: none"> <li>▪ NVSB became and still is a vendor to Konica-Minolta Precision Engineering (M) Sdn Bhd for the supply of digital and filmed camera components.</li> <li>▪ NVSB became and still is a vendor to Hitachi Air-Conditioning Products (M) Sdn Bhd for the supply of air conditioner components.</li> </ul>
2000	<ul style="list-style-type: none"> <li>▪ NVSB commenced supply of HDD disk clamps to Asahi Kosei (M) Sdn Bhd.</li> </ul>
2001	<ul style="list-style-type: none"> <li>▪ NVSB became and still is a vendor to Canon Opto (M) Sdn Bhd for the supply of digital and filmed camera components.</li> <li>▪ NVSB was appointed one of the key suppliers to manufacture the "cam barrel", a camera zoom component for both Konica-Minolta Optical Products (Shanghai) Co., Ltd and Konica-Minolta Optical Technologies (Shanghai) Co., Ltd. based in Shanghai, China.</li> </ul>
2002	<ul style="list-style-type: none"> <li>▪ NTSB supplied special inspection jigs to a local car manufacturer.</li> <li>▪ NVSB was appointed as an approved vendor by Western Digital for the supply of HDD disk clamps.</li> <li>▪ NVSB received the BS EN ISO 9001: 2000 certification for its commitment to quality management.</li> </ul>
2003	<ul style="list-style-type: none"> <li>▪ NVSB became and still is a vendor to MKE to supply spindle motor hubs to two major HDD manufacturers.</li> <li>▪ In terms of revenue, NVSB was the top supplier of disk clamps to Western Digital, accounting for 38% of the disk clamp and spacer ring market share in 2003.</li> <li>▪ Developed an air chuck assembly system, which uses pneumatic-driven power to soft clamp very delicate aluminium work pieces for the production of HDD components.</li> <li>▪ IPSB became a vendor/supplier to an MNC for the design and manufacture of automation parts.</li> </ul>

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

Year	Development Milestones
2004	<ul style="list-style-type: none"> <li>▪ KPSB commenced mass production of Kolo pins for Canon Opto (M) Sdn Bhd.</li> <li>▪ An investment of approximately RM13.5 million in new plant and machinery was made by the Group.</li> <li>▪ In terms of revenue, NVSB was the top supplier of disk clamps to Western Digital and commanded between 38% to 42% market share of the local HDD disk clamp and spacer ring market in 2004.</li> </ul>
2005	<ul style="list-style-type: none"> <li>▪ SISB received orders to supply digital camera parts directly from Asahi Kosei (M) Sdn Bhd.</li> </ul>

##### 4.2.15 Location of Business

Currently, the production facilities of the NVB Group are situated at the following locations, all of which are rented premises with the exclusion of item (vi):

	Locations	Date of Certificate of Fitness	Issuing Authority
(i)	Lot 5028, Jalan Teratai, Batu 5½, Jalan Meru, 41050 Klang, Selangor Darul Ehsan	10 July 1998	Klang Municipal Council
(ii)	P.T. 17230 – 17232 Mukim Kapar, Batu 5½, Jalan Meru, 41050 Klang, Selangor Darul Ehsan	10 December 1993	Klang Municipal Council
(iii)	No 1, 3 & 5, Jalan 1/5, Taman Industrial Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan	10 January 1998	Kajang Municipal Council
(iv)	P.T. 17243 Mukim Kapar, Batu 5½, Jalan Meru, 41050 Klang, Selangor Darul Ehsan	10 December 1993	Klang Municipal Council
(v)	No. 7, Jalan Teruntum 20/KU08, Taman Meru Seria, Meru, 41050 Klang, Selangor Darul Ehsan	23 June 2004	Klang Municipal Council
(vi)	No. 11 and 11A, Jalan Teruntum 20/KU08, Taman Meru Seria, Batu 5½, Jalan Meru, 41050 Klang, Selangor Darul Ehsan	23 June 2004	Klang Municipal Council



#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

	<b>Locations</b>	<b>Date of Certificate of Fitness</b>	<b>Issuing Authority</b>
(vii)	No. 21, Jalan Teruntum 20/KU08, Taman Meru Seria, Meru, 41050 Klang, Selangor Darul Ehsan	23 June 2004	Klang Municipal Council

##### 4.2.16 Production Capacity and Output

As at 15 April 2005, the Group operates from the seven (7) manufacturing plants disclosed in Section 4.2.15 of this Prospectus. The factories listed under items (i), (ii), (iii), (iv) and (vii) operate two (2) eight (8)-hour shifts with three (3) hours extra time, while the remaining two (2) factories operate a single eight (8)-hour shift.

The optimal maximum production capacity, which the existing manufacturing plant and available facilities of the Group may sustain, is 90% of total capacity. The Group is currently running at 80% of its optimal maximum production capacity. In line with its expansion plan, the NVB Group will purchase a piece of industrial land in Klang to construct a new factory to house the Group's headquarters and manufacturing plant. The new factory is scheduled to be completed by FYE 2006, and is expected to contribute an additional approximate 30% increase in production capacity.

##### 4.2.17 Competitive Advantages

The directors of the NVB Group believe that the following are the strengths and competitive advantages of the NVB Group:

(i) **One-stop and fully integrated precision components and tools manufacturer and solution provider**

The Group provides a fully integrated manufacturing facility covering both upstream and downstream activities, with an extensive range of CNC machinery and technology to offer a one-stop solution in satisfying its customers needs. The Directors of NVB believe that the Group is one of the few local HDD component manufacturers that can provide such comprehensive multi-capabilities and competencies for the HDD, consumer electronic and other targeted industries.

(ii) **Introduction of new product lines**

The Group has and will continue to introduce new product lines and mix via its product diversification strategy. The aim of this strategy is to enable the Group to cross sell current and new products across its existing customers. At the same time, by introducing new products, the Group aims to also tap into new markets such as small precision component markets for the camera, fibre optics, watch, printer shaft and micro motor shaft industries.

(iii) **Proven capabilities and know-how**

The fact that the Group supplies (directly or indirectly) to well-known MNCs such as Western Digital, Maxtor Corporation, Hitachi GST, Canon Opto (M) Sdn Bhd, Victor Company of Japan, Ltd. (JVC), Matsushita Electric Industrial Co., Ltd. and Konica Minolta Precision Engineering (M) Sdn Bhd, which are known to have high global standards and requirements for their products and its related components, is testament of the NVB Group's capabilities and technical competencies.

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#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

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The capabilities and know-how of the Group is not only limited to being able to understand its customers' product specifications but also encompasses the ability to translate those specifications into actual production capabilities.

**(iv) Strong and far sighted management**

The Group is fortunate to have with them a strong and farsighted management team, which possesses the necessary technical and business experience relating to their business. The management team has over the years proven themselves to be capable of managing and improving on key technologies used in the Group, evidenced by the quality of their products and orderly manner of their manufacturing process. At the same time, the Group's management has also shown its ability to develop and maintain strong working relationships with global MNCs such as Western Digital and with key suppliers to MNCs. The Group's management continues to commit to enhancing the Group's technical capabilities via R&D and improving key relationships with existing and new customers.

The majority of the Group's key management and key technical personnel, including the managing director and the senior management in the operations, marketing & sales, R&D/technical and production divisions, have at least 10 years or more of relevant working experience in the precision machining business.

**(v) Skilled employees**

The Group recognises the need for skilled employees in view of the technical nature of its business, which is in the production of high precision components. The Group's manufacturing capabilities need to be strongly supported by high value-adding activities such as the research, design and development of tools, dies, moulds, jigs, fixtures and electro-mechanical assemblies. The Group has in its employment experienced and able engineers, technical personnel, machinists and top management staff who are technically competent in understanding customer requirements and translating them into deliverables that meet the customer's specifications.

**(vi) Investment in high precision engineering technology**

Since its inception until 31 December 2004, the Group has invested RM49.6 million towards the acquisition of high technology machinery and systems capable of producing high precision components and parts for its customers. At the same time the Group has invested into R&D to enhance the system's efficiency and add value to its productive capabilities.

**(vii) Commitment to Quality Assurance**

The Group is committed to product quality and has established a quality assurance system that places great emphasis on achieving consistently high quality products, which is vital for the industries it is serving. The Group's commitment to quality has been recognized by being an approved vendor of various MNCs and major customers, and by it being awarded the BS EN ISO 9001:2000 certification in 2002.

**(viii) R&D**

In order to succeed in this business, and to meet the stringent requirements for every new product or component to be manufactured, the Group has to undertake R&D activities in-house prior to consignment for mass production.

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#### 4. INFORMATION ON THE NVB GROUP (Cont'd)

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The R&D activities will result in development of high value-added products and processes that will complement the ultra-precision machining systems and processes to ensure consistency and reliability in product quality across the thousands of units manufactured each day. These high value-added products will also ensure the reduction of industrial metal waste by optimizing the use of raw materials. These R&D products can also achieve improvement in machine operator safety and prevention of system downtime, thus increasing production capacity and revenues for the Group.

The Group's R&D capabilities have been demonstrated by its many in-house developments of supporting jigs, fixtures and tools to support its core principal activity.

(ix) **Leadership in time-to-market, time-to-volume, time-to-response, time-to-quality and time-to-retool performance**

Serving customers in industries characterized by relatively 'short to medium' term product life cycle, such as the HDD and consumer electronics industries, where constant innovations will result in the introduction of new models into the market is a constant challenge for the Group. The Group needs to be able to cater and embrace these challenges inherent within their customers' industries.

The Group has proven its ability to offer time-to-market capability, i.e., being able to produce high precision components for its customers in time to meet market demands. It has also demonstrated its ability to provide time-to-volume capability by understanding its customers' needs quickly and to be able to organize and ramp up production from virtually zero units to several thousand units per day meeting the high volume requirements of its customers by possessing time-to-volume, time-to-response, time-to-retool and time-to-quality capabilities.

#### 4.2.18 Barriers of Entry

(i) **Controlled number of suppliers to maintain quality issue**

HDD MNCs, in general, tend to limit its pool of approved "component" vendors in order to control product quality and consistency, as well as supplies lines. Thus, only component suppliers which are able to meet the standard requirements of MNCs will be invited to participate in its product qualification programs (an average of 1 or 2 companies per program).

(ii) **Capabilities to manufacture at high volume**

The requirements of the industry for suppliers to mass produce high precision components with the same consistent quality is demanding. In addition, the approved vendors are also required to be completely flexible in their production planning, which allows for quick responses in production ramp-up in order to fulfil time-to-market orders from MNCs.

(iii) **Rigorous process and long lead time to obtain approved vendor status**

A new competitor will have to undergo about a year or more of evaluation by a HDD MNC before it becomes an approved vendor to the MNC and proceeds with mass production. This serves as a barrier to entry as the costs and risks associated with such qualification is high. New competitors would need to invest in expensive machineries and other associated processes and materials without guarantee of contract.

#### 4. INFORMATION ON THE NVB GROUP (Cont'd)

(iv) **Commitment to investment in resources, design capabilities and machinery during pre-mass production phase**

Competitors will need to have strong financial resources for investment in plant and machinery and R&D capabilities to support the customers, particularly during the trial runs leading to mass production. It is normally a lengthy period ranging from 6 to 9 months before the purchase orders are secured. Aspiring new entrants may face difficulties in committing the necessary high level of resources, both in terms of financial resources and engineering expertise.

#### 4.3 Subsidiaries

##### 4.3.1 Information on NVSB

(i) **History and Business**

NVSB was incorporated in Malaysia on 22 September 1995 as a private limited company under the Companies Act, 1965. NVSB is principally involved in design and volume production of high precision metal machining of HDD, computer, consumer electronic and electrical and automotive industries' components, and related R&D activities.

(ii) **Share Capital**

As at 15 April 2005, the authorised and issued and paid-up share capital of NVSB are as follows:

	RM
<b>Authorised</b>	
Ordinary shares of RM1.00 each	10,000,000
<b>Issued and paid-up</b>	
Ordinary shares of RM1.00 each	6,115,920

(iii) **Changes in Share Capital**

The changes in the paid-up share capital of NVSB since its incorporation up to 15 April 2005 are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
22.09.1995	2	Subscribers' shares	2
21.10.1995	99,998	Cash	100,000
22.03.1996	200,000	Cash	300,000
05.05.1998	300,000	Cash	600,000
28.09.1999	300,000	Cash	900,000
11.09.2000	600,000	Cash	1,500,000
13.08.2002	700,000	Cash	2,200,000
03.12.2003	1,000,000	Cash	3,200,000
15.02.2004	2,915,920	Cash	6,115,920



#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

(iv) **Substantial Shareholder**

As at the date of this Prospectus, NVSB is wholly-owned by NVB.

(v) **Subsidiary and Associate Company**

As at the date of this Prospectus, NVSB does not have any subsidiary or associate company.

#### 4.3.2 Information on NTSB

(i) **History and Business**

NTSB was incorporated in Malaysia on 20 June 2002 under the Companies Act, 1965 as a private limited company. The company commenced operation in 2 September 2002 and is principally engaged in design, development and modification of cutting tool geometry, regrind or re-sharpen special cutting tools using CNC tool and cutter grinder and other grinding operations, and marketing of diamond abrasive grinding wheels, PCD and PCBN inserts.

(ii) **Share Capital**

As at 15 April 2005, the authorised and issued and paid-up share capital of NTSB are as follows:

	RM
<b>Authorised</b>	
Ordinary shares of RM1.00 each	5,000,000
<b>Issued and paid-up</b>	
Ordinary shares of RM1.00 each	1,253,675

(iii) **Changes in Share Capital**

The changes in the paid-up share capital of NTSB since its incorporation up to 15 April 2005 are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
20.06.2002	2	Subscribers' Shares	2
19.05.2003	199,998	Cash	200,000
02.12.2003	200,000	Cash	400,000
15.02.2004	853,675	Cash	1,253,675

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#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

(iv) **Substantial Shareholders**

The substantial shareholders of NTSB and their respective shareholdings as at the date of this Prospectus are as follows:

Shareholder	No. of shares in NTSB	% interest
NVB	1,128,307	90
Lee Chee Keong	125,368	10
	<u>1,253,675</u>	<u>100</u>

(v) **Subsidiary and Associated Company**

As at 15 April 2005, NTSB does not have any subsidiary or associated company.

#### 4.3.3 Information on IPSB

(i) **History and Business**

IPSB was incorporated in Malaysia on 17 July 2000 as a private limited company under the Companies Act, 1965. IPSB is principally involved in design, development, manufacture and marketing of precision jigs and fixtures, tools and dies for stamping, precision mould parts for plastic injection, trim and form tools for semiconductor industry, and precision machine parts for the automotive and other high value-added industries.

(ii) **Share Capital**

As at 15 April 2005, the authorised and issued and paid-up share capital of IPSB are as follows:

	RM
<b>Authorised</b>	
Ordinary shares of RM1.00 each	<u>100,000</u>
<b>Issued and paid-up</b>	
Ordinary shares of RM1.00 each	<u>100,000</u>

(iii) **Changes in Share Capital**

The changes in the paid-up share capital of IPSB since its incorporation up to 15 April 2005 are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
17.07.2000	2	Subscribers' shares	2
21.01.2003	29,998	Cash	30,000
25.09.2003	70,000	Cash	100,000

(iv) **Substantial Shareholders**

As at the date of this Prospectus, IPSB is wholly-owned by NVB.

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

(v) **Subsidiary and Associate Company**

As at the date of this Prospectus, IPSB does not have any subsidiary or associate company.

#### 4.3.4 Information on DTSB

(i) **History and Business**

DTSB was incorporated in Malaysia on 10 December 2003 as a private limited company under the Companies Act, 1965. DTSB is principally involved in R&D activities leading to the design and production of the air chuck assembly system for soft clamping, tool-holders, gauges, dies, collets and lathe chucks for use by CNC machining applications.

(ii) **Share Capital**

As at 15 April 2005, the authorised and issued and paid-up share capital of DTSB are as follows:

	RM
<b>Authorised</b>	
Ordinary shares of RM1.00 each	100,000
<b>Issued and paid-up</b>	
Ordinary shares of RM1.00 each	50,000

(iii) **Changes in Share Capital**

The changes in the paid-up share capital of DTSB since its incorporation up to 15 April 2005 are as follows:

<b>Date of allotment</b>	<b>No. of shares allotted</b>	<b>Consideration</b>	<b>Cumulative issued and paid-up share capital</b>
			RM
10.12.2003	100	Subscribers' shares	100
18.02.2004	49,900	Cash	50,000

(iv) **Substantial Shareholders**

The substantial shareholders of DTSB and their respective shareholdings as at the date of this Prospectus are as follows:

<b>Shareholder</b>	<b>No. of shares in DTSB</b>	<b>% interest</b>
NVB	40,000	80
Gan Jiin Luen	7,500	15
Tan Chee Bin	2,500	5
	50,000	100

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

(v) **Subsidiary and Associate Company**

As at the date of this Prospectus, DTSB does not have any subsidiary or associate company.

#### 4.3.5 Information on KPSB

(i) **History and Business**

KPSB was incorporated in Malaysia on 25 January 2000 as a private limited company under the Companies Act, 1965. KPSB is principally involved in design and development leading to the mass production of high precision micro parts and related R&D activities.

(ii) **Share Capital**

As at 15 April 2005, the authorised and issued and paid-up share capital of KPSB are as follows:

	RM
<b>Authorised</b>	
Ordinary shares of RM1.00 each	500,000
<b>Issued and paid-up</b>	
Ordinary shares of RM1.00 each	200,000

(iii) **Changes in Share Capital**

The changes in the paid-up share capital of KPSB since its incorporation up to 15 April 2005 are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
25.01.2000	2	Subscribers' shares	2
27.01.2004	199,998	Cash	200,000

(iv) **Substantial Shareholders**

The substantial shareholders of KPSB and their respective shareholdings as at the date of this Prospectus are as follows:

Shareholder	No. of shares in KPSB	% interest
NVB	180,000	90
Ee Meng Pin	20,000	10
	200,000	100

(v) **Subsidiary and Associate Company**

As at the date of this Prospectus, KPSB does not have any subsidiary or associate company.



#### 4. INFORMATION ON THE NVB GROUP (Cont'd)

##### 4.3.6 Information on SISB

###### (i) History and Business

SISB was incorporated in Malaysia on 16 June 2004 as a private limited company under the Companies Act, 1965. SISB is principally involved in design of tooling and volume manufacturing of high precision appearance parts using progressive die stamping for digital cameras, MP3 players and other consumer electronic devices.

###### (ii) Share Capital

As at 15 April 2005, the authorised and issued and paid-up share capital of SISB are as follows:

	RM
<b>Authorised</b>	
Ordinary shares of RM1.00 each	500,000
<b>Issued and paid-up</b>	
Ordinary shares of RM1.00 each	300,000

###### (iii) Changes in Share Capital

The changes in the paid-up share capital of SISB since its incorporation up to 15 April 2005 are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
16.06.2004	2	Subscribers' shares	2
20.09.2004	299,998	Cash	300,000

###### (iv) Substantial Shareholders

The substantial shareholders of SISB and their respective shareholdings as at the date of this Prospectus are as follows:

Shareholder	No. of shares in SISB	% interest
NVB	180,000	60
Foo Kee Pack	60,000	20
Lim Choon Sing	30,000	10
Yong Kim Seng	30,000	10
	300,000	100

###### (v) Subsidiary and Associate Company

As at the date of this Prospectus, SISB does not have any subsidiary or associate company.

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#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

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##### 4.4 Industry Overview

##### 4.4.1 The Malaysian Economy

Malaysia's growth momentum continues into 2004 after recording a strong growth in 2003. Unlike 2003, when the global economy was affected by the war in Iraq and Severe Acute Respiratory Syndrome, the external environment in 2004 has improved markedly with an upswing in the global electronics demand as well as favourable commodity prices. This enabled the Malaysian economy to expand steadily from 7.6% in the first quarter of 2004 to 8% in the second quarter, the highest since the third quarter of 2000.

The robust domestic economic activities, which supported growth in 2002 through to 2004, are further augmented by a favourable external environment. The build-up in international reserves arising from larger current account surplus and inflows of foreign capital continues to strengthen Malaysia's macroeconomic fundamentals. Consequently, national income in current prices is envisaged to increase by 10.8% to RM411,794 million, with per capita income rising by 8.5% to reach RM16,098 (2003:RM14,838). Similarly, per capita income in terms of purchasing power parity income is estimated to increase by 9.3% to USD10,163 (2003:USD9,295).

In an environment of increasing external uncertainties, domestic demand, led by the private sector, remains sturdy and contributes significantly to overall economic growth in 2004. As consumer sentiment remains positive and investor confidence gains momentum, domestic demand in real terms (excluding change in stocks) is expected to increase by 6.7% and contribute 6.1 percentage points to overall GDP growth.

The outlook for 2005 will generally remain favourable although global growth is expected to moderate on account of high oil prices, inflationary pressures, interest rate hikes and a probable slowdown in China's economy. The emergence of these risks, that became apparent in the second half of 2004, are expected to continue into 2005. The stronger macroeconomic fundamentals and resilience, backed by sturdy domestic demand and broad-based growth, will however, continue to support Malaysia's GDP growth, forecast at 6% in 2005.

*(Source: Economic Report 2004/2005, Ministry of Finance, Malaysia)*

##### 4.4.2 The HDD Industry

##### 4.4.2.1 Current Stage and Development over Time

Technological changes and discoveries have made dramatic changes to the data storage industry. IBM introduced the first HDD in 1956, whereby, to store 5 megabytes of data, it had to use 50 platters measuring 24 inches in diameter. The initial significant development was IBM's introduction of the "thin film induction" head. It utilized a single element to read and write data to and from the disk. As hard disk drives expanded in storage capacity, the magnetic domains had to be miniaturized so as to accommodate more of them on a platter.

In 1991, IBM introduced the first "anisotropic magneto-resistive" (AMR) read heads for HDDs. With the creation of AMR read heads, HDD manufacturers were able to increase storage densities by approximately 60% a year during the nineties. However, this could not keep up to the demands of customers who requested ever higher-density HDDs.

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

In the meantime, IBM's Almaden Research Centre in San Jose, California had been experimenting with ways of increasing the storage density by using a technique called sputtering. By the end of 1997, IBM was ready to introduce the revolutionary giant magneto-resistive (GMR) head. This was the scientific and technological breakthrough that boosted the capacity of HDDs from a few gigabytes to 100 gigabytes and more. In the process, storage densities have rose from 1 to 2 gigabytes per square inch of the first GMR HDD to about 100 gigabytes per square inch presently. The record is a pocket-sized 120-gigabyte HDD manufactured by Western Digital. Overall, the USA has a slight technology lead in the overall data storage technology, especially in the 3.5-inch form factor for HDDs. The Japanese manufacturers, who are leaders in miniaturization technology, are leading in the 2.5-inch form factor and below for HDDs.

*(Source: Frost & Sullivan, Executive Summary: Strategic Insights of the Hard Disk Drive Market, March 2005)*

##### 4.4.2.2 Industry Structure

The HDD cluster is quite established in Malaysia as a result of a huge inflow of foreign direct investments into this industry during the early to mid-nineties. These inflows were diverted from Singapore when production costs became too high. Due to the tight competitive conditions in the disk drive market, lower-end production of disk drives and removable drives was relocated from Singapore to Malaysia in the late eighties.

Correspondingly, a number of supporting industries in the value chain has also been established in the areas of disk media, disk substrates, magnetic recording heads, actuators, head gimbals, arm assembly, spindle motors, bearings and PCB (printed circuit board) fabrication. Altogether, there are approximately 35 companies involved in the production and assembly of data storage devices in Malaysia; many are located in both Penang and the Kulim Hi-Tech Park in neighboring Kedah. The major peripherals and component parts manufactured are:

- HDDs – Western Digital
- Disk media – Fuji Electric (Malaysia) Sdn. Bhd. and Komag USA (Malaysia) Sdn. Bhd.
- Disk substrates – Advanced Disk Technology (Malaysia) Sdn. Bhd., Toyo Memory Technology Sdn. Bhd., and Fuji Electric (Malaysia) Sdn. Bhd.
- Magnetic recording heads – Penang Seagate Industries (M) Sdn. Bhd.
- Actuators – Eng Technology Sdn. Bhd.
- Head gimbal assemblies – Penang Seagate Industries (M) Sdn. Bhd.
- Voice coil motors – Shin-Etsu (Malaysia) Sdn. Bhd.
- Spindle motors – Sankyo Precision (Malaysia) Sdn. Bhd.

*(Source: Frost & Sullivan, Executive Summary: Strategic Insights of the Hard Disk Drive Market, March 2005)*

##### 4.4.2.3 HDD Market Dynamics

Although demand for HDDs has been largely flat in the period from 2000 to 2001, HDD demand has turned positive and is seen to be growing steadily with improvements seen in Asia and the US. The worldwide HDD shipment is expected to grow positively at a CAGR of 8.3% over the period 2004 to 2008.

The sources for HDD industry growth in the years ahead are poised to come from two major areas: the computer market and consumer electronics market. The computer market is further subdivided into 3 segments, which are the server market, personal computer market and notebook market. Growth from the respective segments of the HDD industry is highlighted below:

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#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

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- The global HDD shipment is projected to grow at a CAGR of 8.3% from 2004 to 2008.
- The global server market is projected to grow at a CAGR of 9.7% from 2004 to 2008.
- The desktop / personal computers market is projected to grow at a CAGR of 6.8% from 2004 to 2008.
- The notebook market is projected to grow at a CAGR of 13.7% from 2004 to 2008.
- The non-traditional computing applications, namely consumer electronics market, with built in HDD, are projected to expand at a CAGR of 52.7% during the period 2004 to 2008. Nevertheless, personal computers and notebooks continue to be the main products that consume most of the HDD productions.

*(Source: Frost & Sullivan, Executive Summary: Strategic Insights of the Hard Disk Drive Market, March 2005)*

##### 4.4.2.4 Computer Market

The computer market is subdivided into 3 segments, which are the server market, personal computer market and notebook market.

The market for servers is dependent on both business sentiments and business expansions, as they are mainly used in large corporations. To ensure the integrity and security of information, business corporations focus on data replication, and hence, data storage in servers. The telecommunications industry has been a major end-user influencing data storage demand. The global server market is projected to grow at a CAGR of 9.7% during the forecast period 2004 to 2008. The market in Malaysia is anticipated to expand at a lower pace, registering a CAGR of 8.4% during the corresponding period.

Over the last few years, there has been a gradual migration from desktop personal computers to the notebook platform. In addition, computer assemblers are keener to market notebooks, as they provide higher margins compared to desktops. The popularity of mobile electronics among consumers is also driving the notebook market. The advent of wireless LAN (local area network) and public Wi-Fi (wireless fidelity) hotspots has driven the sales of notebooks over the past two years. Declining Wi-Fi chipset prices have also accelerated the migration to notebooks.

Unit shipment of personal computers in the global market is anticipated to increase at a CAGR of 6.8% during the forecast period 2004 to 2008, surpassing the forecasted unit shipment CAGR in Malaysia, which is projected to be 6.1% during the corresponding period. On the other hand, unit shipment of notebooks in the global market is anticipated at a strong CAGR of 13.7% for the same forecast period, which is slightly higher than the unit shipment CAGR of 12.9% that is projected for the Malaysian market.

*(Source: Frost & Sullivan, Executive Summary: Strategic Insights of the Hard Disk Drive Market, March 2005)*

##### 4.4.2.5 Consumer Electronics Market

Most HDD manufacturers are now focusing on the rising demand for data storage from consumer electronics. A majority of such products would initially be consumed in the more developed countries like the USA, Europe and Japan, due to the relatively higher per capital income and better digital infrastructure. Global unit shipments of consumer electronics like digital still cameras, camera phones, personal digital assistants, digital camcorders, portable digital music players, gaming consoles, digital video disk recorders and car navigation systems are collectively anticipated to grow at a CAGR of 26.3% during the forecast period 2004 to 2008. However, consumer electronics with built-in hard disk drives are projected to expand at a much stronger CAGR of 52.7% during the same forecast period.



#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

A projected growth summary of certain consumer electronics products using HDD applications, for the period 2004 to 2008, are indicated below:

- Unit shipment of digital cameras with built-in HDDs is forecasted to expand at a CAGR of 70.7%.
- Unit shipment of camera phones is projected to expand at a CAGR of 33.4%.  
However, the growth of camera phones incorporating high-end features, which include functions of the PDA and compressed digital music, and incorporating a digital still camera, may possibly cannibalise the sales of the stand alone digital cameras, PDAs and portable digital music players in the market.
- Unit shipment of digital video recorders with built-in HDDs is projected to expand at a CAGR of 75.3%.
- Unit shipment of gaming consoles with a built-in HDD is projected to grow at a CAGR of 41.1%.
- Unit shipment of PDAs with built-in HDDs is expected to chart a strong CAGR of 72.0%.
- Unit shipment of digital camcorders is projected to grow at a CAGR of 9.7%.
- Car navigation systems incorporating the HDDs are anticipated to expand at a CAGR of 49.5%.

*(Source: Frost & Sullivan, Executive Summary: Strategic Insights of the Hard Disk Drive Market, March 2005)*

#### 4.4.3 The Automotive Component Parts Market

In 2004, the Malaysian automotive component market was estimated at RM3.8 billion. This increase stems from higher consumption of OEM (original equipment market) component parts due to growing sales of new vehicles since 1998. OEM sales account for almost 60 percent of market revenues, while the aftermarket contributes the remaining 40 percent. In the OEM, parts sales mirror the production of new vehicles. Aftermarket revenues are derived from the existing vehicle population. Local component parts manufacturers focus on the OEM, while foreign parts manufacturers target the aftermarket. National vehicles provide a guaranteed and captive market for these OEM manufacturers who continue to thrive from the local content policy and high tariffs on new vehicles. Malaysian manufacturers have become more proficient at making car component parts ever since the Proton project was implemented and thus were able to secure orders for component parts from other car assemblers in Malaysia as well as from other ASEAN countries.

There are many opportunities for local automobile component producers to take advantage of the ASEAN Free Trade Area ("AFTA") to export these components. Under AFTA requirements, automotive imports must satisfy the "local content requirement," which means that at least 40% of the products content must originate from any single/cumulative ASEAN member(s).

Increasing competition in the region is forcing Malaysian parts manufacturers to reduce costs to become competitive. Some shifted overseas and collaborate with foreign partners to reduce costs, gain access to foreign markets through overseas network, and develop and share proprietary technologies. In addition, manufacturers can build parts component that lean towards the international market and conform to global standards rather than rely solely on the limited Malaysian market.

*(Source: Frost & Sullivan, Executive Summary: Strategic Insights of the Hard Disk Drive Market, March 2005)*

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#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

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##### 4.4.4 Government Legislation, Policies and Incentives

The Industrial Coordination Act 1975 requires any company engaging in manufacturing activities with shareholders' funds of RM2.5 million or more, or which employs 75 or more full-time employees, to obtain a manufacturing licence from MITI. Applications for manufacturing licences are processed by MIDA. Manufacturing licences issued by MITI are generally subject to conditions. Failure to comply with stipulated conditions may ultimately result in the revocation of the licence.

Please refer to Section 8.1 of this Prospectus on the manufacturing licences that are held by the NVB Group and the terms and conditions imposed by MITI.

##### 4.4.5 Prospects and Outlook of the Industry

Due to its basic importance and extensive forward and backward linkages, the precision engineering industry plays a key role in the country's manufacturing process that is far greater than its proportional contribution to the total manufacturing output and employment might suggest. The trend in corporate outsourcing, instead of having precision machining and tooling workshops appended to principal manufacturers, has also translated into more demand for the services of independent precision machining and tooling companies. Multinationals favor outsourcing because it leads to more flexibility in planning and production, as well as reduced capital expenditures, working capital, business risks and fixed overhead costs.

Manufacturing processes with higher levels of precision and miniaturization will continue to be the objective of manufacturing engineering worldwide. A wide range of advanced technology products is totally dependent on precision engineering. As a high technology product, the assembly of hard disk drives is heavily dependent on precision engineering component parts with exacting fit.

Faster central processing unit ("CPUs") and bus standards make it possible to process all the new data-intensive applications and files in the computer. This in return, requires increased hard disk drive capacity and performance in order to read and write the data at a speed that matches the rest of the system's capabilities. Hence, in today's environment of almost limitless data, the capability of the hard disk drive component of a computer is a critical element in the overall performance of the system. With computers firmly entrenched, the need for storage has never been greater. There is no doubt that the data storage needs of modern society will increase astronomically in the coming years.

Improvements in data storage technologies are providing lower cost per gigabyte storage every year, a fact not missed by many end-users. The hard disk drive still appears to have a considerable remaining lifespan, although a slowing rate of progress is anticipated due to significant technical challenges, there is a widely held view that no alternative technology is likely to provide serious competition over the next ten years. The price of a hard disk drive typically constitutes less than 10 percent of the total cost of the systems it goes into, and present alternative technologies are still about two orders of magnitude more expensive than the hard disk drive, thus ruling them out as storage devices in the computing industry, except for consumer electronics.

High-speed semiconductor memory could compete with hard disk drives in the future. Semiconductor memory is much faster than magnetic disk drives, but currently is not competitive from a cost standpoint. Flash memory, a non-volatile semiconductor memory, is currently more costly and while it has a higher "read" performance than hard disk drives, it has a lower "write" performance. As both computers and consumer electronics become more commoditized, price differentiation, and not product differentiation in the market become the key consumer attribute in the decision to purchase. Flash memory could become competitive in the near future for applications requiring less data storage capacity than that provided by hard disk drives.

*(Source: Frost & Sullivan, Executive Summary: Strategic Insights of the Hard Disk Drive Market, March 2005)*

#### 4. INFORMATION ON THE NVB GROUP *(Cont'd)*

##### 4.5 Major Customers

Below is a list of the Group's major customers, which the Group has successfully continued to serve since commencement of the business relationships, as at 15 April 2005.

Name of Customer	Components Supplied	Years of Business Relationship	% of Revenue as at FYE 2004
MKE	HDD Spindle Motor Hubs	2	24.4%
Western Digital	HDD Disk Clamps and Spacer Rings	2	22.5%
Western Digital Corporation (Thailand) Co., Ltd	HDD Disk Clamps and Spacer Rings	1	13.1%
Asahi Kosei (M) Sdn Bhd	HDD Disk Clamps and Automobile Components and Digital Camera parts	8	10.2%
Diamet Klang (M) Sdn Bhd	Automotive and Air Conditioner Sintered parts	10	8.0%
Kenseisha (M) Sdn Bhd	HDD Disk Clamps, Spacer Rings and Computer Components	8	6.4%
Canon Opto (M) Sdn Bhd	Digital and Filmed Camera: Lens Locking Rings and Kolo Pins	3	3.0%
Konica Minolta group of companies *	Digital and Filmed Camera: Cam Barrels	2 - 5	2.3%
Jia Hui Sdn Bhd	HDD Spacer Rings	6	2.6%
Nidec-Copal (M) Sdn Bhd	Audio Visual Components	6	0.3%

Note:

\* The companies within the Konica Minolta group of companies which transact with the Group are as follow:

Name of Customer	Years of Business Relationship
Konica Minolta Precision Engineering (M) Sdn Bhd	5
Konica Minolta Optical Products (Shanghai) Co., Ltd.	2
Konica Minolta Optical Technologies (Shanghai) Co., Ltd.	2

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#### 4. INFORMATION ON THE NVB GROUP (Cont'd)

##### 4.6 Major Suppliers

The Group is not dependent on any single supplier of products/services purchased. The Group has established good working relationships with several of its key raw materials suppliers in order to maintain a lower cost position and to ensure high quality and availability of goods on a timely basis.

A list of the Group's major suppliers as at 15 April 2005 is set out below:

Name of Supplier	Procurement/Purchases	Years of Business Relationship	% of Purchases as at FYE 2004
Wei Shin Aluminium Co Ltd, Taiwan	Aluminium Tubings and Bars	8	21.8%
Enal Industries Pte.Ltd	EN Plating	1	15.3%
Dipsol Chemicals (M) Sdn Bhd	EN plating	2	4.4%
SKB Aluminium Industries Sdn Bhd	Aluminium Tubings and Bars	6	4.2%
TLC Tool Suppliers Sdn Bhd	Cutting Tools Supplies	4	3.6%
Tensidchem Sdn Bhd	Cutting Oils & Paraffin	10	3.2%
Kennametal (M) Sdn Bhd	Inserts and Tool Holders	10	2.7%
Mec-Mart Toolings Sdn Bhd	Cutting Tools and Inserts	7	1.7%
Kyowa Petrochemical (M) Sdn Bhd	Cutting Oil	5	1.3%
CKL Technology Works	Anodising Aluminium Parts	3	1%

##### 4.7 Future Plans and Outlook

The Group has outlined various growth strategies for the next 5 years, which is summarised in the Summary of its Business Development Plan set out in Section 10 of this Prospectus. Meanwhile, the Group aims to be at the technological forefront in the provision of high precision components, tools, moulds and dies for its targeted industries. The NVB Group intends to focus and endeavour to bring to fruition the R&D activities, which the Group has outlined in its R&D Product Roadmap for 2005 – 2009, detailed in Section 4.2.11 of this Prospectus.

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## 5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

### 5.1 Substantial Shareholders and Promoters

#### 5.1.1 Profile

The profiles of the promoters of NVB are disclosed in Sections 5.2.1 and 5.4.1 of this Prospectus, except for Choo Wing Yew's which is set out below.

**Choo Wing Yew**, aged 43, is a member of the Chartered Institute of Management Accountants, United Kingdom and the Malaysian Institute of Accountants. He started his professional career in audit in 1983 with Deloitte KassimChan, a public accountant firm. In 1990, he joined Nitto Denko Electronics Sdn Bhd as an accountant until 1992. He then joined Mega First Corporation Berhad as the Financial Accountant from 1992 to 1994. He is presently the Finance and Administration Manager of UMW Pennzoil Distributors Sdn Bhd.

#### 5.1.2 Shareholdings of Substantial Shareholders and Promoters

The promoters and substantial shareholders (holding 5% or more in the share capital) of the NVB Group are as follows:

Name	Designation	Nationality	Before Public Issue		After Public Issue		No. of shares	%	No. of shares	%
			Direct	Indirect	Direct	Indirect				
Thoo Chow Fah	Executive Chairman	Malaysian	48,732,873	22.34	-	-	48,732,873	16.62	-	-
Choo Wing Hong	Managing Director	Malaysian	64,977,185	29.78	-	-	64,977,185	22.16	-	-
Choo Wing Onn	Executive Director	Malaysian	48,732,873	22.34	-	-	48,732,873	16.62	-	-
Lee Tian Yoke	Executive Director	Malaysian	21,659,055	9.93	-	-	21,659,055	7.39	-	-
Choo Wing Yew *	-	Malaysian	10,829,528	4.96	-	-	10,829,528	3.69	-	-
Choo Wing Leong *	Quality Assurance Manager	Malaysian	10,829,528	4.96	-	-	10,829,528	3.69	-	-
Choo Wing Kin *	Assistant Factory Manager	Malaysian	10,829,528	4.96	-	-	10,829,528	3.69	-	-

Note:

\* Promoter of the Company but not a substantial shareholder.

#### 5.1.3 Promoters' and Substantial Shareholders' Directorships and Substantial Shareholdings in Other Public Corporations for the Past Two (2) Years

None of the promoters or substantial shareholders of NVB has any directorship and substantial shareholdings in any other public corporations for the past two (2) years preceding 15 April 2005.

## 5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

### 5.1.4 Changes in Substantial Shareholdings

The changes in the substantial shareholdings of NVB since its incorporation are as follows:

Substantial Shareholder	As at date of incorporation		After Sub-division of shares		After Acquisition but before Public Issue	
	No. of shares	%	No. of shares	%	No. of shares	%
			Direct	Indirect	Direct	Indirect
			No. of shares	No. of shares	No. of shares	No. of shares
			%	%	%	%
Lee Ming Leong	1	50.0	10	50.0	-	-
Mah Li Chen	1	50.0	10	50.0	-	-
Thoo Chow Fah	-	-	-	-	48,732,873	22.34
Choo Wing Hong	-	-	-	-	64,977,185	29.78
Choo Wing Onn	-	-	-	-	48,732,873	22.34
Lee Tian Yoke	-	-	-	-	21,659,055	9.93

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## 5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

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### 5.2 Directors

#### 5.2.1 Profile

**Thoo Chow Fah**, aged 52, is the Executive Chairman of NVB and a co-founder of the NVB Group. During his early years, he received military training while attending the Royal Military College, Sungei Besi, and graduated in 1972. At tertiary level, he obtained a first class honour's degree in Mechanical Engineering from the University of Strathclyde, Scotland, in 1976. He went on to obtain a Masters degree in Management Science from Imperial College, University of London, in 1977. In 1996, he received his professional engineer status from the Board of Engineers, Malaysia. He has been involved in the engineering field for the past 26 years.

He commenced his career with Sime Darby Berhad - Plantation Division as a palm oil factory engineer in 1978. Subsequently, in 1990 he joined the Sinar Mas Group, one of the largest private plantation groups in Indonesia, as Project Controller. He left the group in 1995 before heading back to Malaysia to set up his own palm oil factory-engineering consultancy, Agropac Consultants Sdn Bhd, with two other industry experts. He has since January 2005 resigned from his private practice. He has, however, business interest in an Indonesian company, PT Kwala Mas Sawit Abadi, with two palm oil fruit processing factories in Sumatra.

He had assumed executive responsibilities as Executive Chairman in NVSB in September 2003. Previously, he had held the position of non-executive Chairman of NVSB from the inception of NVSB on 22 September 1995. The executive management of the NVB Group reports directly to him and he is primarily in charge of setting the overall business direction and organizing the corporate finance aspects of the Group. The finance department of the Group also comes under his direct purview. The Group had benefited from his business knowledge, experience and prudence in approaching investments so that sustained profitable growth of the precision machining business was achieved. He continues to direct the NVB Group into customer and product diversification of HDD components, which is the core business of the NVB Group. The secondary core business of the Group is the development of micro-precision parts using CNC auto-lathe technology. He also sits on the board of several private limited companies.

**Choo Wing Hong**, aged 40, is the Managing Director of NVB as well as the co-founder of the NVB Group, building the Group from a start-up in late 1995 to a reputable, and integrated precision machining component manufacturer. He obtained his Diploma in Mechanical Engineering from the Federal Institute of Technology, Kuala Lumpur in 1985.

He started working as a technician in Fujitsu Electronics Sdn Bhd, Air Itam, Johor for a 6-month duration in 1986. Subsequently, he served in Singapore with TPK Engineering Pte Ltd for two years as a supervisor in charge of CNC setting and programming of jigs and fixtures and other production functions. He proceeded to join Motorola (M) Sdn Bhd, Sungei Way, as a specialist technician in the mould fabrication and machining division in 1987 to 1988. In 1989, he was employed as a sales executive for Yamazen Sdn Bhd, Selangor for two years. In 1990, he set up Preciturn Sdn Bhd, Bangi with a few partners and within a short period it was transformed into a substantial precision machining company. His position with the company as Production Manager entailed all engineering aspects including CNC machine maintenance, machine programming, and training of supervisors, section leaders and quality personnel. He left in late 1995 to establish NVSB with Thoo Chow Fah.

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**5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**

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He is the key person and the driving force behind the NVB Group and his responsibilities cover all aspects of the engineering and production functions of the business. Recently, he is also actively involved in the business development and customer relations of the NVB Group. He continues to seek new challenges in the ultra high precision machining industry and has more than 19 years in-depth experience in this specialised field. He also heads the R&D division of the NVB Group which provides technical research on and development of new machining methods, production methods and engineering processes to enable the Group to be innovative, abreast with new technology and productive.

**Choo Wing Onn**, aged 38, is an Executive Director of NVB. He obtained his Certificate in Marketing from the Chartered Institute of Marketing, United Kingdom, in 1993. He started working as a sales representative with American Express Malaysia Sdn Bhd, Kuala Lumpur from 1989 to 1991. Subsequently, he worked with Schering AG's (a German based company) representative office, Petaling Jaya, as a medical representative until 1992. He joined Schering Plough Sdn Bhd (a USA based company) as an executive from 1992 to 1993. He was later promoted to Product Manager in 1993 and was responsible for the Malaysia, Singapore and Brunei markets. He subsequently resigned in 2001 and joined NVSB full-time.

Presently, he is one of the key personnel of the NVB Group. He reports to the Managing Director, primarily, in respect of customer needs and customer relationship building for the HDD components division as well as the performance of the same division. He also liaises with the Production Planning & Control and also Quality Assurance divisions for timely delivery of mass volume of high precision HDD components to meet production targets.

**Lee Tian Yoke**, aged 34, is an Executive Director of NVB. He heads the marketing team of the NVB Group, where his emphasis is on non-HDD products. He also oversees the manpower division of the Group. He received his Certificate in Marketing from HELP Institute, Kuala Lumpur in 1994. He commenced his sales career in Mechcraft Trading Sdn Bhd ("Mechcraft"), Kuala Lumpur as a sales manager from 1992 to 1995. During his tenure with Mechcraft, he had made valuable contacts with Malaysian MNCs, which have plans to localise the manufacture and supply of component parts. In 1995 he started work in Preciturn Sdn Bhd as a sales executive in charge of customer relations and new projects development.

Subsequently, in 1995, he joined NVSB. He reports to the Managing Director and is currently focused on securing new business projects in the auto-lathe segment, an important core business of the NVB Group. His secondary function is his involvement in manpower resource planning for the NVB Group. He has helped in the fast expansion of the business of the NVB Group. Through his diligence, the Group has benefited by penetrating into major accounts of MNCs and consumer electronic companies located in Malaysia to supply the products and services of the NVB Group.

**Saw Tat Loon**, aged 34, is an Independent Non-Executive Director of NVB. He was admitted as an associate member of the Association of Chartered Certified Accountants ("ACCA"), United Kingdom in 1999. He is also a Chartered Accountant and member of the Malaysian Institute of Accountants. He commenced his career in 1996 with Horwath, Kuala Lumpur, an international accounting firm and gained professional audit exposure, both in the local and international scene. After earning his admission as an associate member of ACCA, he joined OMD (M) Sdn Bhd as a Management Accountant. He was promoted to Finance Manager in 2004. His present responsibilities include the preparation of periodic management financial reports, the maintenance and management of the accounting system, treasury management as well as establishing and maintaining internal and risk controls for the company, a member of Omnicom Group Inc. USA. He also sits on the board of a private company.



## 5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

**Yike Chee Wah**, aged 57, is an Independent Non-Executive Director of the NVB Group. He started work as a legal clerk with Shook Lin & Bok from 1967 to 1973. Meanwhile, in 1972, he completed his matriculation with Stamford College, Petaling Jaya. He went on to work with Ng Ek Teong & Partners as a senior legal clerk from 1973 to 1976. In 1976, he joined Amanah Butler (M) Sdn Bhd, Kuala Lumpur as a foreign exchange and money broker. He received training at Butler's London and attended many Forex conferences in other financial cities. He was promoted to the position of foreign exchange manager. In 1991 he joined TA Securities Sdn Bhd. A year later he qualified as a dealer's representative in the company. He has had more than 21 years of experience in investment and financial matters, with exposure to foreign exchange transactions. In 1996, he left TA Securities Sdn Bhd to become a Zone Pastor with Community Baptist Church, Petaling Jaya for a period of 5 years. Presently, he is a Director of Orient Acres Sdn Bhd, which is involved in property and general investment.

### 5.2.2 Directors' Shareholdings in NVB

The shareholdings of the Directors in NVB before and after the Public Issue are as follows:

Directors	Position	Before Public Issue				After Public Issue			
		Direct		Indirect		Direct		Indirect	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Thoo Chow Fah	Executive Chairman	48,732,873	22.34	-	-	48,732,873	16.62	-	-
Choo Wing Hong	Managing Director	64,977,185	29.78	-	-	64,977,185	22.16	-	-
Choo Wing Onn	Executive Director	48,732,873	22.34	-	-	48,732,873	16.62	-	-
Lee Tian Yoke	Executive Director	21,659,055	9.93	-	-	21,659,055	7.39	-	-
Saw Tat Loon	Independent Non-Executive Director	-	-	-	-	-	-	-	-
Yike Chee Wah	Independent Non-Executive Director	-	-	-	-	-	-	-	-

### 5.2.3 Directors' Directorships and Substantial shareholdings in Other Public Corporations for the Past Two (2) Years

None of the Directors has any other directorships and/or substantial shareholdings (5% or more of the issued and paid-up share capital) in other public corporations for the past two (2) years.

### 5.2.4 Directors' Remuneration and Benefits

The remuneration and benefits paid to the Directors of NVB Group for services rendered in all capacities to the NVB Group for the financial year ended 30 September 2004 amounted to approximately RM964,736. For the financial year ending 30 September 2005, the amount payable to the Directors of NVB Group is estimated at RM1,468,648.

## 5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

The number of Directors of NVB in the various remuneration bands are set out as follows:

Remuneration Band	Number of Directors	
	Financial year ended 30 September 2004	Financial year ending 30 September 2005
RM100,000 and below	9	7
RM100,001 – RM150,000	3	4
RM150,001 – RM200,000	1	-
RM200,001 – RM250,000	-	2
RM250,001 – RM300,000	-	1

### 5.3 Audit Committee

NVB had set up an Audit Committee on 14 February 2005. The Committee comprises the following Board Members:

Name	Designation	Directorship
Saw Tat Loon	Chairman of Committee	Independent Non-Executive Director
Yike Chee Wah	Member of Committee	Independent Non-Executive Director
Choo Wing Onn	Member of Committee	Executive Director

The Audit Committee is responsible for making recommendations to the Board of Directors regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the NVB Group's external auditors and reviewing and evaluating the NVB Group's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

### 5.4 Key Management and Key Technical Personnel

#### 5.4.1 Profile

**Ee Meng Pin**, aged 42, is the General Manager cum R&D Research Manager of KPSB. He obtained his Diploma in Mechanical Engineering from the Federal Institute of Technology, Kuala Lumpur in 1984 and holds a Certificate in Industrial Management which was obtained from Sanno Institute Technology, Japan, in 1987. He started his career with TPK Precision Engineering Pte Ltd, Singapore, as a senior supervisor in 1985. He left to join Seksun Precision Engineering Pte Ltd, Singapore, as an Assistant Production Manager in 1990. Subsequently, he joined Selco Technology Pte Ltd, Singapore as an Engineering Manager from 1993 to 1994. From 1995 to 1998, he held the post of Engineering and Production Manager in Autoair Holdings Berhad, Rawang. He joined Asahi Kosei (M) Sdn Bhd, Balakong, in 1998 as the New Products & Development Manager and left in 2001 to join KPSB. He has more than 19 years of experience in the field of high precision machining for aerospace industries components, computer peripheral parts, military equipment, electrical and electronic components, automotive components and other industrial components. He is very knowledgeable in CNC machines and modern manufacturing systems.

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**5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**

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He joined KPSB in 2002 and currently, is overseeing the production line of HDD components. He is a key member of the R&D team of the NVB Group, initiating new precision machining, and new product and process development in order to improve manufacturing efficiency. He reports directly to the Managing Director and coordinates the R&D activities of the Group. Since August 2002, he has also been appointed the Director of KPSB and is supervising the production of high volume micro precision parts utilizing CNC auto-lathe technology.

**Foo Kee Pak**, aged 46, is a Director and founder of SISB. He started his marketing career with Rothmans of Pall Mall Bhd from 1978 to 1980 before embarking into industrial sales with Fook Seng Tiles Bricks Trading from 1981 to 1990. In 1991, he joined Guolene Plastic Films Sdn Bhd as an industrial sales executive. In 1994, he was transferred to Guolene Packaging & Printing Sdn Bhd as an executive with the procurement and warehouse control division. In 1999, he resigned for a managerial position with Nidec Copal (M) Sdn Bhd, Nilai, a Japanese metal stamping MNC, where he gained his managerial experience in several divisions, namely, in sales & logistics, customer services and finished goods warehousing. In September 2004, he left and co-founded SISB with the Directors of NVSB.

**Lee Chee Keong**, aged 44, is a Director and founder of NTSB. He started work as a Tool Maker with Wild (Singapore) Pte Ltd in 1983. He subsequently left and joined Leica Ernst Leitz, Canada in 1986 as a toolmaker. Later, he was self-employed from 1991 to 1996. In 1996, he became a Manager with Trading in Die-Cut Singapore Pte Ltd, which specializes in the sales of special cutting tools and diamond tools for the machining field. In 2002, he established NTSB and is currently responsible of managing a team of staff (both sales and office), managing the manufacturing/servicing of special cutting tools as well as marketing of the said products/services. He is a key technical personnel in the NVB Group, providing new technology opportunities and markets in special tools and machining. He has recently introduced a highly sophisticated Universal Tool Checking Machine (4 axes CNC machine) from Walter AG, Germany that performs all necessary dimensional measurement on standard and profile tools.

He also has a strong collaboration scheme with TATI (Terengganu Advanced Training Institute) in the area of tool and cutter grinding training and other technical knowledge transfer. He received training in Tata-EDB Training Centre, Singapore in NTC-3 and NTC-2 (NTC = National Trade Certificate) in Tool Making from 1981 to 1982. In 1985, he furthered his training in a Craftsman course with the Economic Development Board, Singapore. In 1998, he trained in Switzerland on machining programming on the Schneeberger CNC tool and cutter grinder machine.

**Gan Jiin Luen**, aged 32, is a Director of DTSB. He started working with Protech Engineering Sdn Bhd as a Supervisor in 1993. He left in 1995 and commenced work with NVSB specializing in the design and fabrication of jigs and fixtures in 1996. He had assisted in the design and fabrication of the NVSB Group's jigs and fixtures requirements. He was also jointly responsible for the development of the Air Chuck Assembly for soft-clamping of delicate components. He is trained as a precision toolmaker.

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**5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**

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**Choo Wing Leong**, aged 37, is the Quality Assurance Manager of NVSB and has been with the NVB Group since 1996. He had obtained a Diploma in Electrical/Electronic Engineering from Institute Megatech, Kuala Lumpur in 1989 and a Diploma in Computer Studies issued by the National Computer Council, United Kingdom in 1992. Further, he holds a Certificate in Electrical/Electronic Engineering from City & Guilds, United Kingdom. He commenced work as a Maintenance Technician with Advanced Micro Devices Pte Ltd, Singapore in 1989. Shortly he left to work with De La Rue Services Malaysia Sdn Bhd as a Technician in charge of the operations of a specialized identification system in Kuala Lumpur in 1990 until 1995. In 1996, he joined the NVB Group and has been in-charge of all mechanical and electronic maintenance as well as trouble shooting and upgrading of machine software programs. He reports directly to the Managing Director and is the principal officer in charge of implementing the quality management system of NVSB in compliance with BS EN ISO 9001:2000 specifications. He reviews all the inspection processes and data collection and analyses. He also trains inspection personnel on the correct usage of measurement equipment. He also identifies and trouble shoot areas, which are problem prone in respect of quality, and carries out regular Internal Quality Audits to ensure good manufacturing practices.

**Jeannie Teh**, aged 28, is the Finance & Administration Manager of the NVSB Group. She is a member of the Association of Chartered Certified Accountants, United Kingdom and a Chartered Accountant with the Malaysian Institute of Accountants. In 1998, she commenced her career with KB Tan & Co, a public accounting firm, as an Audit Assistant. She left the audit firm in 1999 to join Teck See Plastic Sdn Bhd as an Accounts Executive. Subsequently, she worked with Minho (M) Berhad as an Assistant Group Accountant in 2002. She joined NVSB as the Finance & Administration Manager in January 2004. She is primarily responsible for the Group's financial management, accounting, taxation, secretarial and administration matters.

**Hee Kuet Vui**, aged 34, is currently the Maintenance Manager of the NVB Group. He obtained an Advanced Diploma in Electrical/Electronic Engineering from Institute Megatech, Kuala Lumpur in 1994. He also has a Certificate in Electrical/Electronic Engineering, City & Guilds, United Kingdom. He commenced work with Southern Wire Sdn Bhd, Shah Alam from 1994 to 1999 as a Maintenance Engineer in charge of the electrical maintenance of the wiredrawing machine. During his stint with Southern Wire Sdn Bhd, he had received valuable training in the process of securing BS EN ISO 9001 certification. From 1999 to 2001, he was a Sales Executive with KVC Electric Sdn Bhd, Kuala Lumpur. In 2001, he joined NVSB and is, currently, a key person in the maintenance of the CNC machines of the Group. He heads a team of technicians.

**Choo Wing Kin**, aged 31, is presently an Assistant Factory Manager in Balakong, with NVSB. He started working with NVSB in 1996. Prior to his career move to NVSB, he had worked as a CNC lathe operator in the precision machining department with Concord Machining Sdn Bhd, Kuala Lumpur, in 1991. Later in 1992, he joined Preciturn Sdn Bhd, Bangi, initially, as a Machining Operator and then promoted within a short period to Shift Leader. Six months later, he received another promotion to Shift Supervisor. He left the company and joined Gagasan Elite Sdn Bhd, Subang Jaya, in June 1994, as a Factory Manager. Presently, he reports to the Managing Director on production targets, plant productivity, cost control, manpower control and quality assurance. The Balakong factory currently has a work force of about 60 to 70 operators and he heads a team of Shift Leaders and Supervisors.

**Chang Yang Ming**, aged 33, is a Production Supervisor with NVSB. He started his career in the CNC machine industry with Flexible Machinery System Sdn Bhd, Rawang in 1994, initially, as a CNC machine operator. Subsequently, he was promoted to Section Leader with responsibilities for a group of CNC machines. In 1998, he left to join Autoair Industries Sdn Bhd, Rawang as Production Supervisor taking charge of the precision machining of air-conditioner parts. He has about 10 years of valuable experience in specialised CNC machining knowledge for the precision engineering industry. In 2000, he joined NVSB and is currently, in charge of the production functions of the HDD spindle motor hub line, which requires high machining stringency. He reports directly to Ee Meng Pin.



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**5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**

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**Yong Kim Seng**, aged 31, is a Director and Progressive Die Design and Tooling Manager with SISB. He graduated from the University of Hertfordshire, United Kingdom in 1997 with a mechanical engineering degree. In 1997, he commenced work as a mechanical engineer with Nidec Copal (M) Sdn Bhd. He was subsequently promoted to a senior executive position in 2000 to manage the CAD/CAM system in the machine shop of Nidec Copal (M) Sdn Bhd. In September 2004, he left to join SISB where he specialises in precision metal stamping and designing of the progressive dies used in stamping manufacturing.

**Loi Tuck Lee**, aged 26, joined as the Quality Assurance Engineer in NVSB in 2003. He obtained a Diploma in Mechanical Engineering, Tunku Abdul Rahman College, Kuala Lumpur, in 2001. He went on to obtain a degree in Mechanical and Manufacturing Engineering from John Moore University, Liverpool in 2002. He started work in that same year with Cosmoplus Sdn Bhd, Semenyih, as a Quality Assurance Engineer. In 2003, he joined NVSB and is responsible for the electro spindle motor hub's quality control function and inspection stations.

**Gopalswamy Rajanigant**, aged 35, is an Indian National who is a Machine Centre Specialist with NVSB. He has a Diploma in Mechanical Engineering from the Government Polytechnic, Coimbatore, Tamil Nadu, India. He started as a Supervisor (programming & setting) in 1994 with Textool Company Ltd, Coimbatore, Tamil Nadu, India before departing for Malaysia in 2001, where he joined NVSB. He is presently responsible for the CNC Machine Centre in the Meru factory, which includes machine programming and setting. He also records and maintains tools. He attends to all precision machining within the Machine Centres.

**Sreekumar Chandra Panicker**, aged 36, is an Indian National who is a Wire Cut EDM Engineer with the NVB Group since 2000. He started work as a Tool Room Technician from 1989 to 1995 with Tektronics A & G, India. From 1995 to 2000, he worked as a Senior Technician with Tyco Electronic Tools, India, where his scope of work covered all areas of precision machining and wire-cut EDM. As a wire-cut EDM Engineer, he has the ability to convert AutoCAD drawings to machine language, which can be read by the wire-cut electrical discharge machines utilized by IPSB. He is a key person to the Wire Cut EDM division, who is also able to cost jobs and perform complicated jobs involving precision engineering.

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## 5. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

### 5.4.2 Key Management's and Key Technical Personnel's Shareholdings in NVB

The shareholdings of the key management and key technical personnel in NVB after the Public Issue are as follows:

	Before Public Issue				After Public Issue			
	Direct		Indirect		^Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Ee Meng Pin	191,730	0.09	-	-	326,730	0.11	-	-
Foo Kee Pack	-	-	-	-	120,000	0.04	-	-
Lee Chee Keong	1,377,460	0.63	-	-	1,517,460	0.52	-	-
Gan Jiin Luen	-	-	-	-	150,000	0.05	-	-
Choo Wing Leong	10,829,528	4.96	-	-	10,829,528	3.69	-	-
Jeannie Teh	-	-	-	-	120,000	0.04	-	-
Hee Kuet Vui	-	-	-	-	135,000	0.05	-	-
Choo Wing Kin	10,829,528	4.96	-	-	10,829,528	3.69	-	-
Chang Yang Ming	-	-	-	-	66,000	0.02	-	-
Yong Kim Seng	-	-	-	-	120,000	0.04	-	-
Loi Tuck Lee	-	-	-	-	68,000	0.02	-	-
Gopalswamy Rajanigant	-	-	-	-	48,000	0.02	-	-
Sreekumar Chandra Panicker	-	-	-	-	66,000	0.02	-	-

Note:

<sup>^</sup> Based on the assumption that all key management and key technical personnel of the NVB Group will fully subscribe for their respective entitlements in respect of Public Issue Shares reserved for the eligible employees of the NVB Group pursuant to the Public Issue

### 5.5 Declarations of Directors, Key Management and Key Technical Personnel

None of the Directors, the key management or key technical personnel is or was involved in the following events (whether within or outside Malaysia):

- (i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel; or
- (ii) Conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) The subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

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