

**THE APPROVAL OF THE SECURITIES COMMISSION ("SC") SHALL NOT BE TAKEN AS AN INDICATION OF THE MERITS OF THE COMPANY OR ITS ORDINARY SHARES OR THAT THE SC RECOMMENDS THE PUBLIC ISSUE OF 10,535,000 NEW ORDINARY SHARES OF RM1.00 EACH AT AN ISSUE PRICE OF RM3.30 PER SHARE. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF ANY INVESTMENT.**

**THE ISSUE PRICE OF RM3.30 PER ORDINARY SHARE WAS BASED ON VARIOUS RELEVANT FACTORS MENTIONED IN THIS PROSPECTUS AND WAS ENTIRELY DETERMINED AND AGREED UPON BY NV MULTI CORPORATION BERHAD ("NVMC") AND COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD AS THE ADVISER AND MANAGING UNDERWRITER. INVESTORS SHOULD FORM THEIR OWN VIEWS ON THE VALUATION OF THE SECURITIES AND THE REASONABLENESS OF THE BASES USED.**

**THE VALUATION OF INVESTMENT IN SUBSIDIARIES APPROVED BY THE SC SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE CORPORATE PROPOSAL SUBMITTED AND APPROVED BY THE SC AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE INVESTMENT FOR ANY OTHER PURPOSE.**

**A COPY OF THIS PROSPECTUS HAS BEEN LODGED WITH AND REGISTERED BY THE REGISTRAR OF COMPANIES, MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.**

**THE KUALA LUMPUR STOCK EXCHANGE ("KLSE") ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE MAIN BOARD OF THE KLSE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF NVMC OR OF ITS ORDINARY SHARES.**

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**DEFINITIONS**


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In this Prospectus, unless otherwise stated, the following abbreviations shall have the following meanings:-

AD	:	Anglosa Development Sdn. Bhd. (140281-W), a wholly-owned subsidiary of NIRK
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
ADR	:	Anjur Deras Sdn. Bhd. (473192-W)
AG	:	Anugaris Sdn. Bhd. (511227-X)
CDS	:	Central Depository System
CIMB	:	Commerce International Merchant Bankers Berhad (18417-M)
EPS	:	Earnings per share
FIC	:	Foreign Investment Committee
GJ	:	Genting Jelas Sdn. Bhd. (354807-D), a wholly-owned subsidiary of NVMC
HLH	:	Hock Long Heng Sdn. Bhd. (formerly known as Modal Abadi Sdn. Bhd.) (498454-D), a wholly-owned subsidiary of NVCI
ILS	:	Ilusi Satria Sdn. Bhd. (473328-A)
IS	:	Istawa Sdn. Bhd. (361621-T), a wholly-owned subsidiary of NVMC
Issue Shares	:	10,535,000 new ordinary shares of RM1.00 each to be issued by NVMC pursuant to the Public Issue, a subject matter of this Prospectus
IT	:	Imbasan Tenang Sdn. Bhd. (421044-W), a wholly-owned subsidiary of NIR
IV	:	Ideal Version Sdn. Bhd. (470442-U), a wholly-owned subsidiary of NVMC
KLSE	:	Kuala Lumpur Stock Exchange (30632-P)
MC	:	Minda Cemerlang Sdn. Bhd. (363812-K), an associated company of NVMC
MCD	:	Malaysian Central Depository Sdn. Bhd. (165570-W)
MIH	:	Malaysian Issuing House Sdn. Bhd. (258345-X)
MITI	:	Ministry of International Trade and Industry
MOF	:	Ministry of Finance
MP	:	Mono Parade Sdn. Bhd. (467757-M)
MT	:	Mayang Teratai Sdn. Bhd. (246034-X)
NIR	:	Nir-Warna Sdn. Bhd. (149924-V), a wholly-owned subsidiary of NVMC
NIRD	:	Nir-Warna Development Sdn. Bhd. (211192-V), a wholly-owned subsidiary of NVMC
NIRG	:	Nir-Warna Management Sdn. Bhd. (210231-T), a wholly-owned subsidiary of NIR
NIRJ	:	Nir-Warna (Johor) Sdn. Bhd. (163742-U), a wholly-owned subsidiary of NIR

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**DEFINITIONS** *(Cont'd)*


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NIRK	:	Nir-Warna (Kuching) Sdn. Bhd. (390515-A), a 65%-owned subsidiary of NIR
NIRL	:	Nir-Warna Landscape Sdn. Bhd. (210230-H), a wholly-owned subsidiary of NIR
NIRM	:	Nir-Warna Marketing Sdn. Bhd. (104474-T), a 51%-owned subsidiary of NVMC
NIRS	:	Nir-Warna (Sabah) Sdn. Bhd. (368194-H), a wholly-owned subsidiary of NIR
NTA	:	Net tangible assets
NVA	:	NV Alliance Sdn. Bhd. (341869-X), a wholly-owned subsidiary of NVMC
NVC	:	NV Care Sdn. Bhd. (451196-D), a 66%-owned subsidiary of NVMC
NVCJ	:	NV Care (Johor) Sdn. Bhd. (formerly known as Hitower Realty Sdn Bhd) (491069-M), a wholly-owned subsidiary of NVC
NVCS	:	NV Card Services Sdn. Bhd. (468836-U), a wholly-owned subsidiary of NVMC
NVMC or the Company	:	NV Multi Corporation Berhad (204888-D)
NVMC Group or the Group	:	NVMC and its subsidiaries and associated companies
PA	:	Public Acres Sdn. Bhd. (274295-P), an associated company of NIRL
PJMC	:	PJ Modern Casket & Funeral Parlour Sdn. Bhd. (275598-K), a wholly-owned subsidiary of NVC.
Public Issue	:	Public issue of 10,535,000 new ordinary shares of RM1.00 each in NVMC to eligible employees, sales agents, suppliers and subcontractors of the NVMC Group, and the Malaysian public at an issue price of RM3.30 per share, subject to the terms and conditions of this Prospectus
PS	:	Pinang Sepadan Sdn. Bhd. (363723-M), a wholly-owned subsidiary of NVC
RD	:	Rantau Delima Sdn. Bhd. (354861-M), a wholly-owned subsidiary of NVMC
SC	:	Securities Commission
RM and sen	:	Ringgit Malaysia and sen respectively
US\$	:	United States Dollar

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## 1. SUMMARY OF INFORMATION

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The following information is derived from, and should be read in conjunction with, the full text of this Prospectus:-

### 1.1 History and Business

NVMC was incorporated in Malaysia under the Companies Act, 1965 on 25 September 1990 under the name of Tavoy Traders Sdn. Bhd.. The Company changed its name to Kumpulan Nir-Warna Sdn. Bhd. on 20 October 1993 and on 9 March 1994, it changed its name to Ide Bakti Development & Construction Sdn. Bhd..

The Company was converted into a public company on 23 September 1995. On 13 October 1995, it changed its name to NV Multi Corporation Bhd.. The Company was reconverted into a private limited company on 12 March 1998 and on 16 July 1999, the Company was converted back into a public company.

The principal activities of NVMC are investment holding and provision of management services. Its subsidiaries and associated companies, all of which are incorporated in Malaysia, are principally involved in the bereavement care and property development industries, the details of which are as follows:-

#### *Subsidiaries*

Name	Effective equity interest %	Principal activities
AD	65.00*	Dormant
GJ	100.00	Property development
HLH	66.00##	Undertaker and supplier of funeral merchandise
IS	100.00	Dormant
IT	100.00**	Dormant
IV	100.00	Dormant
NIR	100.00	Development of rest park
NIRD	100.00	Earthworks, construction and sales of tombs
NIRG	100.00**	Maintenance of cemetery, burial lots and urn compartments
NIRJ	100.00**	Development of rest park, crematorium, funeral parlour and columbariums (intended activity)
NIRK	65.00**	Development of rest park
NIRL	100.00**	Landscaping and nursery
NIRM	51.00	Sales of health food products
NIRS	100.00**	Development of rest park
NVA	100.00	Sales of burial plots, urn compartments and pre-need funeral packages
NVC	66.00	Provision of funeral packages
NVCJ	66.00+	Provision of funeral packages
NVCS	100.00	Provision of privilege card services
PJMC	66.00+	Undertaker and supplier of funeral merchandise
PS	66.00+	Development of a memorial centre (intended activity)
RD	100.00	Property development

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## 1. SUMMARY OF INFORMATION (Cont'd)

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### *Associated Companies*

Name	Effective equity interest %	Principal activities
MC	30.00	Trading and processing of granite and marble
PA	40.00#	Nursery and supply of turf
*	<i>Subsidiary of NIRK</i>	
**	<i>Subsidiaries of NIR</i>	
+	<i>Subsidiaries of NVC</i>	
#	<i>Associated company of NIRL</i>	
##	<i>Subsidiary of NV CJ</i>	

### 1.2 Risk Factors

The following is a summary of the risk factors detailed in Section 4 of this Prospectus:-

- (i) Prior to this issue, there has been no public market for NVMC shares;
- (ii) The Group faces competition from other private memorial parks, existing public cemeteries managed by religious affairs departments and non-governmental organisations, and potential new entrants, including the establishment of new public cemeteries, in the local bereavement care industry;
- (iii) Following the Public Issue, MT, the single largest shareholder of the Company, and Dato' Dr Kong Hon Kong, the Group Managing Director will collectively own 54.78% direct and indirect interest in the issued and paid-up share capital of NVMC. As a result, it is likely that the said shareholders will be able to jointly control the outcome of certain matters requiring the vote of the Company's shareholders unless they are required to abstain from voting by law and/or relevant authorities;
- (iv) In the short term, the growth of the industry is constrained by size of available land bank for burial purpose. In the long run, the growth of the industry is linked to the mortality rate of the country;
- (v) The Group faces certain inherent business risks, including fluctuation in raw material prices, labour and material shortages, changes in general economic, business and credit conditions, demand for privately managed burial lots, urn compartments and pre-need funeral services and changes in the local authorities' guidelines governing the industry;
- (vi) The Group believes that its continued success depends to a significant extent upon the abilities and continued efforts of its existing Directors and senior management. The Group's future success will also depend upon its ability to attract and retain skilled personnel;
- (vii) The profit forecast for the NVMC Group for the financial year ending 31 December 2000 contained in this Prospectus are based on the assumptions that are subject to uncertainties and contingencies;
- (viii) The Group has limited experience in property development, having completed only Phase I of its maiden housing project at Taman Sri Putra, Sungai Buloh, Selangor Darul Ehsan. Any termination of sales, inability to collect progress billings and any delay in the completion of its current housing development project may have a direct impact on the Group's future profitability and/or cashflow position.

## 1. SUMMARY OF INFORMATION (Cont'd)

The SC, vide its approval dated 10 April 2000, has imposed a condition that the NVMC Group is to concentrate solely on the bereavement care business and cease to be involved in any other non-related industry for a period of three (3) years from the date of its listing on the Main Board of the KLSE. Accordingly, the NVMC Group will cease to be involved in any future property development projects upon the completion of the Phase III, Taman Sri Putra until such appropriate time; and

- (ix) Development in political and economic conditions in Malaysia could materially affect the business operation and future prospects of the Group.

### 1.3 Future Prospects of the NVMC Group

The prospects of the NVMC Group is encouraging due to the following reasons:-

- (i) The Group is a market leader in the bereavement care industry;
- (ii) The Group is the only integrated bereavement care service provider in the country;
- (iii) The Group's expansion plans will position it to address opportunities arising from growth in the bereavement care industry; and
- (iv) The Group's successful pre-need funeral products and services will enable it to grow beyond the constraints of a traditional market which is dependent on mortality.

Please refer to Sections 5 and 6 of this Prospectus for a detailed discussion on the industry overview and outlook, and prospects and future plans of Group respectively.

### 1.4 Financial Highlights

The following is a summary of the audited consolidated results of NVMC for the past three (3) financial years ended 30 June 1997, 18 months ended 31 December 1998 and financial year ended 31 December 1999:-

	< ----Financial year ended 30 June ---- >			18 months	Financial year
	1995	1996	1997	ended 31 December 1998	ended 31 December 1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	46,333	68,035	81,452	106,307	99,273
Operating profit before charges for depreciation, interest and taxation	14,540	19,553	22,656	36,485	28,702
Depreciation	(375)	(601)	(718)	(1,512)	(1,577)
Interest	(59)	(113)	(63)	(477)	(972)
Operating profit after depreciation and interest but before taxation	14,106	18,839	21,875	34,496	26,153
Exceptional items	-	-	-	(404)	-
Profit after exceptional items	14,106	18,839	21,875	34,092	26,153
Share of profit in associated companies	-	-	5	55	61
Profit before taxation	14,106	18,839	21,880	34,147	26,214
Taxation	(4,377)	(5,847)	(7,352)	(8,972)	(133)
Profit after taxation	9,729	12,992	14,528	25,175	26,081
Minority interests	(63)	(1,083)	(901)	(854)	(675)
Profit after taxation and minority interests but before extraordinary items	9,666	11,909	13,627	24,321	25,406
Extraordinary items	142	118	(136)	-	-
Profit after taxation, minority interests and extraordinary items	9,808	12,027	13,491	24,321	25,406
No. of shares in issue (000)	210	210	1,261	1,261	1,971



## 1. SUMMARY OF INFORMATION (Cont'd)

	< ----Financial year ended 30 June ---- >			18 months ended 31 December	Financial year ended 31 December
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Weighted average number of shares in issue ('000)#	37,834	37,834	37,834	37,834	38,510
Net EPS (sen)	25.55	31.48	36.02	42.86*	65.97
Gross dividend rate (%)	2,039	3,469	283	555	1,328
#	<i>Adjusted for bonus issues</i>				
*	<i>Annualised</i>				

### Commentary:-

1. Turnover of the Group increased from RM46.3 million in 1995 to RM68.0 million in 1996, an increase of 47% mainly due to growing demand for the Group's products arising from its aggressive marketing strategies and having created a respectable reputation in the industry. Profit after tax also increased significantly in 1996 on the back of the higher turnover.
2. The increase in turnover and profit after tax in 1997 was mainly attributed to aggressive marketing strategies and lower direct cost incurred arising from the economies of scale as well as cost control measures taken by the Group.
3. Turnover increased to RM106.3 million for the 18 months ended 31 December 1998. Compared to the results for the 12 months ended 30 June 1997, average sales per month has declined. This decline was mainly due to lower sales experienced by the Nirvana Memorial Park, Kajang under adverse economic conditions. However, the decline in sales of burial lots and urn compartments at the Nirvana Memorial Park, Kajang was mitigated by the commencement of operations by NIRS and RD, which together contributed about 19% to the Group's turnover for the 18 months.  
  
Profit after tax increased in 1998 mainly due to reduction in operating expenses as a result of the cost control measures taken by the Group in response to the downturn in economy.
4. The Group recorded a higher turnover for 1999 compared to the annualised results of 1998 mainly due to increase in sales achieved in line with the recovery of the Malaysian economy.
5. The exceptional item for the eighteen (18) months ended 31 December 1998 relates to expenses incurred in respect of a listing proposal written off.
6. The extraordinary items for the years/period under review are set out below:-

	<-Financial year ended 30 June->			18 months ended 31 December	Financial year ended 31 December
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Gain on disposal of quoted investments	102	351	267	-	-
Gain on disposal of a subsidiary	-	-	208	-	-
Gain on disposal of an associated company	40	-	-	-	-
Gain on disposal of condominiums	-	43	214	-	-
Expenses in respect of proposed listing	-	(276)	(176)	-	-
Provision for diminution in quoted investments	-	-	(649)	-	-
	142	118	(136)	-	-

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**1. SUMMARY OF INFORMATION (Cont'd)**


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**1.5 Principal Statistics Relating to the Public Issue****Share Capital**

Authorised:- 100,000,000 ordinary shares of RM1.00 each	<u>RM100,000,000</u>
Issued and fully paid-up:- 59,465,000 ordinary shares of RM1.00 each	RM59,465,000
To be issued pursuant to the Public Issue:- 10,535,000 ordinary shares of RM1.00 each	<u>RM10,535,000</u> <u>RM70,000,000</u>

*Issue price per ordinary share* RM3.30

**Proforma NTA**

Proforma NTA as at 31 December 1999 (after deducting estimated listing expenses of RM2,000,000)	RM103,565,000
Proforma NTA per share (based on the enlarged issued and fully paid-up share capital of 70,000,000 NVMC shares)	RM1.48

**Consolidated Profit Forecast for the year ending 31 December 2000**

Consolidated profit after taxation and minority interests	RM19,399,000
Net EPS *	35.75 sen
Net price-earnings ratio based on the issue price of RM3.30 per share *	9.23 times
Net EPS #	27.71 sen
Net price-earnings ratio based on the issue price of RM3.30 per share #	11.91 times

\* *Based on weighted average number of shares in issue of 54,265,883 NVMC shares*

# *Based on the enlarged issued and fully paid-up share capital of 70,000,000 NVMC shares*

**Dividend Forecast for the year ending 31 December 2000**

Gross dividend per ordinary share	10.0 sen
Gross dividend yield based on the issue price of RM3.30 per share	3.0%
Net dividend cover	3.85 times

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**2. CORPORATE INFORMATION**

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**Directors**

<b>Name</b>	<b>Address</b>	<b>Occupation</b>	<b>Nationality</b>
Jen (B) Tan Sri Yaacob bin Mat Zain <i>Chairman</i>	No. 7 Jalan Maktab Lima 54000 Kuala Lumpur	Company Director	Malaysian
Dato' Dr Kong Hon Kong <i>Group Managing Director</i>	28 Lorong Nikmat Satu Taman Gembira 58200 Kuala Lumpur	Company Director	Malaysian
Hong Hock Ming <i>Group Executive Director</i>	B1/P/3-C, Venice Hill Condominium & Golf Resort Persiaran Puteri 1 Taman Puteri, Batu 9 43200 Cheras Selangor Darul Ehsan	Company Director	Malaysian
Chua Chong Kee <i>Executive Director</i>	Lot 218, Lorong 3(E) Jinjang Selatan Tambahan 52000 Kuala Lumpur	Company Director	Malaysian
Khairol Nizam bin Hamran <i>Director</i>	403 Blok 7, Jalan 18/3 Seksyen 18 40000 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian

**Audit Committee**

<b>Name</b>	<b>Responsibility</b>	<b>Directorship</b>
Jen (B) Tan Sri Yaacob bin Mat Zain	Chairman	Independent Non-Executive Director
Dato' Dr Kong Hon Kong	Member	Group Managing Director
Khairol Nirzam bin Hamran	Member	Independent Non-Executive Director

**Company Secretaries**

: Chen Huey Juan  
(MAICSA 7005590)  
13, Jalan Lang Perut Putih 4,  
Kepong Baru  
52100 Kuala Lumpur

Chen Yen Mooi  
(MAICSA 0764951)  
67, Jalan Rasmi  
Taman Rasmi  
68000 Ampang  
Selangor Darul Ehsan

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**2. CORPORATE INFORMATION (Cont'd)**

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	:	Tee Yoke Peng (MAICSA 0863085) 5-5-6 Block 5 Apartment Hijau Ria Jalan 1/1A Kepong Indah 52100 Kuala Lumpur
<b>Registered Office</b>	:	Level 14, Uptown 1 No. 1, Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan
<b>Principal Banker</b>	:	Multi-Purpose Bank Berhad 1, 3 & 5 Jalan Jejaka 4 Taman Maluri, Cheras 55100 Kuala Lumpur
<b>Auditors and Reporting Accountants</b>	:	HALS & Associates Public Accountants Suite 1602, 16 <sup>th</sup> Floor Wisma Lim Foo Yong 86, Jalan Raja Chulan 50200 Kuala Lumpur
<b>Registrar</b>	:	PFA Registration Services Sdn Bhd Level 13, Uptown 1 No. 1, Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan
<b>Valuers</b>	:	CH Williams, Talhar & Wong (Sabah) Sdn. Bhd. 2 <sup>nd</sup> Floor EONCMG Life Building 1, Jalan Sagunting 88850 Kota Kinabalu Sabah
	:	Khong & Jaafar Sdn. Bhd. 57-1, Jalan Telawi Tiga Bangsar Baru 59100 Kuala Lumpur
	:	Yap Burgess Rawson International Suite 13.02, 13 <sup>th</sup> Floor, Menara Tan & Tan Jalan Tun Razak 50400 Kuala Lumpur
<b>Issuing House</b>	:	Malaysian Issuing House Sdn. Bhd. 27 <sup>th</sup> Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur

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**2. CORPORATE INFORMATION (Cont'd)**

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<b>Solicitors for the Company for the Listing Exercise</b>	:	Lee, Perara & Tan Advocates & Solicitors No. 55, Jalan Thambapillai Off Jalan Tun Sambanthan Brickfields 50470 Kuala Lumpur
<b>Adviser and Managing Underwriter</b>	:	Commerce International Merchant Bankers Berhad 8 <sup>th</sup> Floor, Bangunan CIMB Jalan Semantan, Damansara Heights 50490 Kuala Lumpur
<b>Underwriters</b>	:	HLG Securities Sdn. Bhd. 21 <sup>st</sup> Floor, Wisma HLA Jalan Raja Chulan 50200 Kuala Lumpur
	:	JB Securities Sdn. Bhd. Suite 8.2, Level 8 Menara Sarawak Enterprise No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim
	:	CIMB Securities Sdn. Bhd. 8 <sup>th</sup> Floor, Bangunan CIMB Jalan Semantan, Damansara Heights 50490 Kuala Lumpur
<b>Listing Sought</b>	:	Main Board of the KLSE

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### 3. INTRODUCTION

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This Prospectus is dated 29 June 2000.

A copy of this Prospectus has been lodged with and registered by the Registrar of Companies, Malaysia who takes no responsibility for its contents.

Approval has been obtained from the SC on 10 April 2000 on the restructuring and flotation scheme detailed in this Prospectus. The approval of the SC shall not be taken as an indication of the merits of the Company or its ordinary shares or that the SC recommends the Public Issue. Investors should rely on their own evaluation to assess the merits and risks of any investment. The valuation of investment in subsidiaries approved by the SC shall only be utilised for the purpose of the corporate proposal submitted and approved by the SC and shall not be construed as an endorsement by the SC on the value of the investment for any other purpose.

The KLSE assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the Official List of the Main Board of the KLSE is not to be taken as an indication of the merits of NVMC or of its ordinary shares.

Approval-in-principle has been obtained from the KLSE for admission to the Official List of the Main Board of KLSE and for permission to deal in and for quotation of the entire issued and paid-up ordinary shares of the Company, including the Issue Shares, which are the subject of this Prospectus. These ordinary shares will be admitted to the Official List of the Main Board of the KLSE and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

**Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991 and Section 39(1)(j) of the Companies Act, 1965, the KLSE has prescribed NVMC as a CDS counter. In consequence thereof, the shares issued through this Prospectus will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of MCD.**

An applicant should state his or her CDS Account number in the space provided in the Application Form only if an applicant presently has such an account, and should not complete the preferred ADA code. Where an applicant does not presently have a CDS Account, the applicant should state in the Application Form his or her preferred ADA code.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by NVMC and/or CIMB. Neither the delivery of this Prospectus nor any public issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the NVMC Group since the date hereof.

The distribution of this Prospectus and the Public Issue are subject to Malaysian Law and the Company and/or CIMB take no responsibility for the distribution of this Prospectus and the subscription of Issue Shares outside Malaysia. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions.

This Prospectus does not constitute and may not be used for the purpose of an offer to sell or invitation of an offer to buy any Issue Shares in any jurisdiction in which such offer or invitation is not authorised or is lawful or to any person to whom it is unlawful to make such offer or invitation.

**If you are in doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.**

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## 4. RISK FACTORS

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Applicants for the Issue Shares should carefully consider the following (which may not be exhaustive) in addition to the other information contained in this Prospectus before applying for the Issue Shares:-

### 4.1 No Prior Market for NVMC shares

Prior to this Public Issue, there has been no public market for NVMC shares. The issue price of RM3.30 per share has been determined after taking into consideration a number of factors, including but not limited to, the Group's financial and operating history and condition, its prospects and the prospects of the industry in which the Group operates, the management of the Group and the price-earning multiple ascribed to the issue price. There can be no assurance that the issue price will correspond to the price at which NVMC shares will trade on the Main Board of the KLSE upon or subsequent to its listing or that an active market for NVMC shares will develop and continue upon or subsequent to its listing.

### 4.2 Competition

NVMC Group faces competition from other private memorial parks, other existing public cemeteries run by religious affairs departments and various non-governmental organisations and potential new entrants, including the establishment of new public cemeteries. At present, the market for the Group's products and services is principally the Chinese population residing in the Klang Valley, Sabah, Sarawak and Johor. Although there are plans to expand the Group's operations to other states, there can be no assurance that the Group will be able to maintain or increase its existing market share in the future.

### 4.3 Control by Major Shareholders

Following the Public Issue, MT, the single largest shareholder of the Company, and Dato' Dr Kong Hon Kong, the Group Managing Director will collectively own 54.78% direct and indirect interest in the issued and paid-up share capital of NVMC. As a result, these shareholders will be able to jointly control the outcome of certain matters requiring the vote of the Company's shareholders unless they are required to abstain from voting by law and/or by the relevant authorities.

### 4.4 Shortage of Land

Growth in the industry is constrained by size of available land bank for burial purpose in the short-term. To maintain its existing growth, the Group has diversified into pre-need funeral services, and plans to increase its urn compartments availability.

No assurance is given that the Group will be able to acquire new land bank at an acceptable cost in the future or that the present demand for urn compartments and pre-need funeral services can be sustained such that the Group will maintain its existing growth. In the long term, the growth of the Group is linked to the mortality rate of the country.

### 4.5 Bereavement Care Business Risk

The NVMC Group faces certain risks inherent in the bereavement care industry. These include labour and raw material shortages, increases in the costs of labour and raw materials, changes in general economic, business and credit conditions, demand for privately managed burial lots, urn compartments and pre-need funeral services and changes in the local authorities' guidelines governing the industry. Although the Group seeks to limit these risks through, inter-alia, developing quality and affordable burial lots, urn compartments and pre-need funeral services, having a large pool of suppliers, having contractual terms with its subcontractors and conducting due enquiries with the local authorities, no assurance can be given that any change to these factors will not have a material adverse effect on the Group's business.

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**4. RISK FACTORS (Cont'd)**

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**4.6 Dependence on Key Personnel**

The Group believes that its continued success will depend to a significant extent upon the abilities and continued efforts of its existing Directors and senior management. The loss of any of the key members of the Group's Board of Directors and senior management could adversely affect the Group's continued ability to compete in the bereavement care industry. However, efforts have been made by the Group to groom the younger members of its management team to assume more responsibilities from the senior members of the management and/or to fill positions in the management as the Group grows. The Group's future success will also depend upon its ability to attract and retain skilled personnel.

**4.7 Profit Forecast**

The profit forecast of the NVMC Group for the financial year ending 31 December 2000 contained in this Prospectus are based on assumptions that are subject to uncertainties and contingencies. Due to the subjective judgements and inherent uncertainties of the profit forecast and given that events and circumstances frequently do not occur as expected, there can be no assurance that the profit forecast contained herein will be realised and actual results may materially differ from those shown. Investors will be deemed to have read and understood the assumptions and uncertainties underlying the profit forecast contained herein.

**4.8 Limited experience in property development**

The Group has limited experience in property development, having completed only Phase I of its maiden housing project at Taman Sri Putra, Sungai Buloh, Selangor Darul Ehsan. As with any property developer, the Group is subject to certain risks inherent in the property development sector. These include the macroeconomic effects of a general downturn in the global and national economies, increases in labour and material costs, entry of new players, changes in political, legislative, business and credit conditions, and unsatisfactory performance of contractors who undertake the Group's development projects. Although the Group seeks to limit these risks through careful planning, close project supervision, prudent financial policy by developing quality and affordable homes, and effective human resource management, no assurance can be given that these factors will not have a material adverse effect on the Group's business.

Due to the inherent nature of the property development business, there can be no assurance that sales secured for the Group's development will not be terminated subsequently by the purchasers. In addition, there can be no assurance that the Group will be able to collect all progress billings due from the purchasers. Any significant termination of sales and/or inability to collect progress billings may have a material adverse effect on the Group's cashflow position and/or profitability. However, this effect may be mitigated by the forfeiture of instalments paid by the purchasers together with the interest on late payments. The amount to be forfeited will be computed in accordance with the terms and conditions of the respective sale and purchase agreements.

The Group's development project is subject to various regulatory approvals and the timely completion of the project is dependent on many external factors such as obtaining approvals as scheduled, securing construction materials in adequate amounts, favourable credit terms and satisfactory performance of contractors who are appointed to complete certain portions of the development project. No assurance can be given that these factors will not lead to delay in the completion of the project. Any delays may have a direct significant adverse impact on the Group's cashflow position and profitability.

The SC, vide its approval dated 10 April 2000, has imposed a condition that the NVMC Group is to concentrate solely on the bereavement care business and cease to be involved in any other non-related industry for a period of three (3) years from the date of its listing on the Main Board of the KLSE. Accordingly, the NVMC Group will cease to be involved in any future property development projects upon the completion of the Phase III, Taman Sri Putra until such appropriate time.



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## **4. RISK FACTORS** *(Cont'd)*

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### **4.9 Future Prospects**

Certain statements in this Prospectus are based on historical data which may not be reflective of the future results, and others are forward-looking in nature which are subject to uncertainties and contingencies. All forward-looking statements are based on estimates and assumptions made by the Company, and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, general economic and business conditions, competition, the impact of new laws and regulations affecting the NVMC Group and the industry, changes in interest rates and changes in foreign exchange rates. In the light of these and other uncertainties, the inclusion of a forward-looking statement in this Prospectus should not be regarded as a representation or warranty by the Company or its advisers that the plans and objectives of the NVMC Group will be achieved.

### **4.10 Political and Economic Risk**

Development in political and economic conditions in Malaysia could materially affect the business operation and future prospects of the Group. Other political and economic uncertainties include but are not limited to the risks of war, riots, expropriation, nationalisation, renegotiations or nullification of existing contracts or licences, changes in interest rates and taxation methods. No assurance can be given that any changes to these factors will not have a material adverse effect on the Group's business.

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## 5. INDUSTRY OVERVIEW AND OUTLOOK

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### 5.1 Introduction

The bereavement service is traditionally performed with the assistance of the local community. This community-oriented service is gradually being transformed into professional-oriented service as the socio-economic conditions in the Malaysian society improves.

### 5.2 Issues in the bereavement care industry

Until 1990, the religious affairs departments and various non-governmental organisations undertook the entire planning and maintenance of cemeteries in the country. The bereavement care industry then was characterized by a small number of operators, each having their own market differentiated by geographical locations and religious and/or ethnic background. Due to the fragmented nature of this industry, the public segment of the bereavement care industry in Malaysia has been plagued with the following problems:-

#### (i) Negative Sentiments

The industry has not been able to attract the interests of relevant professionals to work in the industry due to negative perceptions. Any affiliations to the industry whether directly or indirectly is perceived to be taboo. This is one of the contributing factors to the poor state of cemeteries in the country and lack of professionalism in funeral services.

#### (ii) Lack of Financial Resources

The operators in the bereavement care industry are typically state religious departments and non-profit organisations which have relied mainly on government allocations and/or private sector donations. These have resulted in small cemeteries, poor infrastructure, inadequate maintenance and inconvenient locations due to lack of financial resources.

#### (iii) Congestion at Public Cemeteries

Existing public cemeteries in the Klang Valley area are increasingly congested due to unavailability of new suitable land for burial purpose.

In view of the increased industrialisation towards a developed country by the year 2020, there is an increasing emphasis on improving the state of community services, one of which is the provision of bereavement care services.

### 5.3 International Trends and Experiences

The bereavement care industry in the developed nations has gone through consolidation from a fragmented industry comprising small independent owner operators to a concentration of large conglomerates dominating a major proportion of the market. Starting from a community service which is non-profit in nature, the bereavement care industry has evolved into a viable business due to demand for better, efficient and reliable services commensurating with the higher level of disposable income.

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**5. INDUSTRY OVERVIEW AND OUTLOOK (Cont'd)**


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Some of these service providers are listed on the New York Stock Exchange ("NYSE") or National Association of Securities Dealers Automated Quotation ("NASDAQ") as set out below:-

<b>Company</b>	<b>Stock exchange listing</b>	<b>Business activities</b>
Service Corporation International	NYSE	Largest provider of funeral and burial services in the United States and the world with more than 4,066 funeral homes, cemeteries and crematoria at the end of 1998.
Carriage Services	NYSE	Provider of funeral and burial services with 180 funeral homes and 30 cemeteries covering 30 states in the United States.
Rock of Ages Corporation	NASDAQ	Integrated granite quarrier, manufacturer, distributor and retailer whose main products are granite memorials used in cemeteries. It operates with more than 2,100 distributors in the United States and Canada and also owns 80 retail outlets in the United States.
Matthews International	NASDAQ	Manufacturer of bronze memorial products including cemetery plaques and urns.
The York Group	NASDAQ	Second largest casket manufacturer producing metal, hardwood and cloth-covered caskets as well as steel burial vaults. Products are sold through a network of 15,000 funeral homes.
Loewen Group	NYSE	Second largest provider of funeral and cemetery services with 1,100 funeral homes, 400 cemeteries and 50 crematoria across the United States, Canada and the United Kingdom.
Hillenbrand Industries	NYSE	Provider of health care services, caskets, funeral planning insurance and high security products. Batesville, one of its subsidiaries, is the world's largest casket manufacturer.
Stewart Enterprises	NASDAQ	Provider of funeral and cemetery products and services with 578 funeral homes and 143 cemeteries in 29 states in the United States, Puerto Rico and in 10 other countries.

*(Source: Hoover's Inc., CNN America, Company Reports)*

The leader in the bereavement care industry in the world today is Service Corporation International ("SCI") with US\$2.9 billion or RM11.0 billion in revenue for the financial year ended 31 December 1998. As of December 1998, SCI operated 3,442 funeral homes, 433 cemeteries and 191 crematoria located in 20 countries on 5 continents.

*(Source: Service Corporation International Press Release, 6 April 1999)*

The attractiveness of this industry is mainly contributed by the following:-

- (i) Stable and sustainable growth in revenue;
- (ii) Increasing demand for professional funeral services; and
- (iii) Significant economies of scale through consolidation of services in a region.

Companies within the bereavement care industry in the developed nations operate like any other service providers. Most of the operators are enjoying good profitability and are capable of attaining higher growth and larger size. The present development in the bereavement care industry in the developed nations is an indication of the potential for the Malaysian operators in this industry.

## 5. INDUSTRY OVERVIEW AND OUTLOOK *(Cont'd)*

### 5.4 Factors Affecting the Industry Growth and Size

The bereavement care industry has generally been regarded as a stable but sustainable growth industry. Long term growth will be in line with the mortality rate.

The growth of the private bereavement care industry is mainly dependent on population profile, mortality growth rate, urbanisation, household income, availability of burial land and acceptance of pre-need funeral products and services.

#### (i) Population Profile

Trend and Projection – Senior Citizens 65 Years And Over, Malaysia			
Year	Population (million)	Age 65 and above (million)	Percentage of age 65 and above (%)
1991	18.55	0.68	3.7
1995	20.69	0.76	3.7
2000*	23.26	0.90	3.9

\* Projected figures.

(Source: Seventh Malaysia Plan)

Malaysia is by large a youthful nation but reversal of this age structure is imminent. With increasing life expectancy, the old (65 years and older) are expected to make up a larger proportion of the population. With a growing ageing population, there is a ready source of demand for burial land and funeral service in the future.

#### (ii) Mortality growth rate

Mortalities have grown at an average annual rate of 2.5% from 1994 to 1998. A summary of mortality growth rates is set out below: -

	1994	1995	1996	1997	1998
Number of mortality	90,100	95,100	95,900	97,000	99,400
Mortality growth rate (%)	2.9	5.5	0.8	1.1	2.5

(Source: Monthly Statistical Bulletin, May 1999)

The steady growth in mortality will ensure continuing demand for burial land and funeral service.

#### (iii) Urbanisation

According to the Seventh Malaysia Plan, urban population will grow at an average annual growth rate of 3.8%. It is expected that urbanisation rate will increase to 59% by the year 2000. With the increasing concentration of population in urban areas, changing lifestyles will spawn demand for professional bereavement care services.

#### (iv) Household Income

The increasing level of affluence is demonstrated by the increase in mean monthly household income from RM1,563 in 1992 to RM2,607 in 1997, representing an average annual growth of 10.8% over a 5 year period. (Source: Economic Planning Unit and Mid-term Review of the Seventh Malaysia Plan) Increasing affluence, and the associated greater level of household income, means greater affordability for the private bereavement care products and services.

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## 5. INDUSTRY OVERVIEW AND OUTLOOK *(Cont'd)*

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### (v) Availability of Burial Land

The present state of play in the bereavement care industry is that the public cemeteries, particularly those in and around major city centres, are congested. The scarcity of land at public cemeteries will ensure a continuing demand for private memorial parks.

### (vi) Pre-need funeral products and services

One of the most important factors that will propel the growth of the local private bereavement care industry is the acceptance of pre-need funeral products and services. In developed nations, there is an increasing trend towards an integrated range of bereavement care services to customers through a single point of contact with the aim of providing convenience. Pre-need funeral services such as instalment payment schemes and funeral service packages are examples of this trend and are major source of revenue for larger provider of bereavement care overseas such as SCI. The growth in pre-need funeral services has been the main impetus for growth in the overseas bereavement care industry. As the population here becomes more affluent and sophisticated, it is expected that there will be an increasing trend towards pre-need funeral products and services in the local bereavement care industry.

## 5.5 Industry Life-Cycle

The private bereavement care industry in the country can be considered young in terms of life-cycle as the market is fragmented with a proliferation of small private funeral undertakers and 2 or 3 average sized private memorial parks and columbarium operators.

Unlike the United States of America, there are no other integrated operators within the Malaysian bereavement care industry except for NVMC and, there is no large chain private operator of funeral homes or memorial parks or privately owned crematorium in Malaysia. The underdeveloped state of the local bereavement care industry holds potential for significant growth opportunities for operators in the local industry.

*(Source: Assessment of Bereavement Care Industry Report dated 16 August 1999 prepared by Vital Factor Consulting Sdn. Bhd.)*

## 5.6 Outlook and Growth of the Industry

The outlook of the bereavement care industry is favourable for the following reasons:-

### (i) Bereavement care is a basic and essential service

This is applicable across the full spectrum of race, culture and creed providing demand every year regardless of economic situations.

### (ii) Steady growth of mortality rate

Malaysia has averaged 4.5 deaths per 1,000 population for the last five years between 1994 and 1998 (*Source: Social Statistics Bulletin – 1998, Department of Statistics*). This mortality rate translates to an average annual mortality growth rate of 2.5% between 1994 and 1998 (*Source: Monthly Statistical Bulletin May 1999, Department of Statistics*).

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## 5. INDUSTRY OVERVIEW AND OUTLOOK *(Cont'd)*

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**(iii) Improving economic climate**

The country's economic outlook is positive with recovery expected to gain further momentum in 2000. The gross domestic product is expected to grow by 5.0% in 2000 underpinned by strengthening domestic demand from improved private consumption and a recovery in private sector investment (*Source: Economic Report 1999/2000*). The improving economic environment will spur increased spending on bereavement care products and services, especially in pre-need packages.

**(iv) Increasing urbanisation and congested public cemeteries**

The continuing urbanisation and congested public cemeteries in major city centres in Malaysia will ensure continuing growth for the bereavement care industry.

**(v) High growth of pre-need funeral products and services**

The main driver of growth for the bereavement care industry over and above mortality rate will be the fast growing pre-need products and services. Pre-need products and services currently represent a significant proportion of the total bereavement care market as the customer base for pre-need products and services is significantly larger than the as-need customer base. Already many of the private memorial parks who have ventured into pre-need products and services are experiencing revenues of 100% to 200% more than their traditional revenue from as-need bereavement care products and services.

*(Source: Assessment of Bereavement Care Industry Report dated 16 August 1999 prepared by Vital Factor Consulting Sdn. Bhd.)*

**(vi) Development of the bereavement care industry**

The local bereavement care industry is underdeveloped by comparison to some of the more developed countries like the United States. Malaysia, as a fast developing nation, will inevitably compel this industry to come up to par with the developed nations. The underdeveloped state of the local bereavement care industry holds potential for significant growth opportunities over and above the normal mortality rate.

## 6. PROSPECTS AND FUTURE PLANS

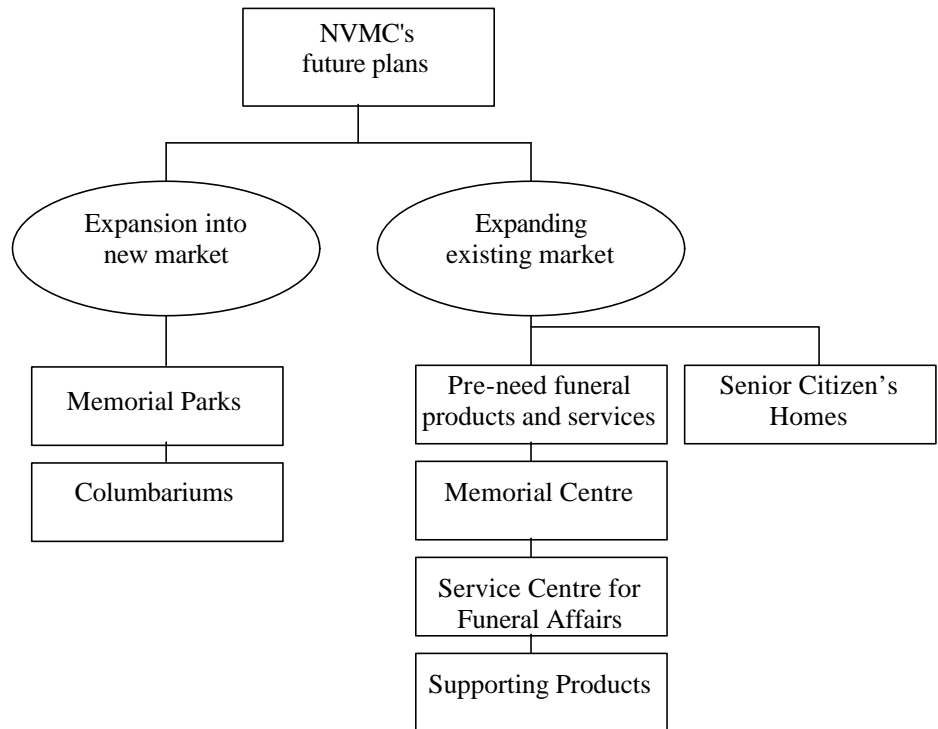
According to industry sources, NVMC is a market leader being the largest private memorial park owner based on the following:-

- (i) total land bank;
- (ii) total land available for burial; and
- (iii) turnover (combining both as-need and pre-need).

At this stage, NVMC is also the only integrated bereavement care operator in Malaysia, providing a full range of bereavement care products and services from funeral services to burial ground in a memorial park or storage of urn in a columbarium.

*(Source: Assessment of Bereavement Care Industry Report dated 16 August 1999 prepared by Vital Factor Consulting Sdn. Bhd.)*

NVMC's future plan is focused on two areas of expansion and growth as depicted in the figure below: -



### (i) Expansion into New Market

NVMC has recently launched its pre-need funeral service packages in Klang Valley and Johor. The Group is currently in the midst of developing a private memorial park, crematorium, funeral parlour and columbarium in Kulai, Johor and is also in the process of negotiating to develop a private memorial park in Penang.

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## 6. PROSPECTS AND FUTURE PLANS *(Cont'd)*

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Together with its existing memorial parks in Selangor, Sabah and Sarawak, and the private memorial park, crematorium, funeral parlour and columbarium to be developed in Johor, the Group will have access to approximately 50% of the as-need market and approximately 57% of the pre-need Chinese market. *(Source: Business Overview of NV Multi Corporation Berhad Report dated 16 August 1999 prepared by Vital Factor Consulting Sdn. Bhd.)*

Following closely with developments of private memorial parks, NVMC plans to develop its chain of funeral homes to complement each of its memorial parks. This will be in line with its Klang Valley and Johor strategy where the acquisitions of PJMC and HLH have enabled it to integrate and to provide a one-stop-shop concept to meet the convenience of customers. This integration strategy allows the Group to achieve significant synergies through:-

- cross-selling of products and services within the as-need market; and
- providing total pre-need packages incorporating funeral services and either burial lots or columbariums in memorial parks.

This expansion model mirrors that successfully adopted by SCI where it has 3,442 funeral homes, 433 cemeteries and 191 crematoria providing funeral and burial services in 20 countries across 5 continents as of December 1998. *(Source: Service Corporation International Press Release, 6 April 1999)*

### (ii) Expanding Existing Market

#### (a) Pre-Need Funeral Products and Services

NVMC, through NVC, has recently launched a suite of pre-need funeral service packages. Although pre-need marketing for memorial parks and columbariums have been adopted by most of the private memorial park operators, pre-need funeral services is relatively new.

Pre-need funeral service packages refers to the pre-planning and pre-arrangement of a funeral function or ceremony for customers. It facilitates the purchaser to pre-arrange and pre-select a funeral service package at a pre-determined price.

#### (b) Memorial Centre

NVMC, through PS, plans to build a memorial centre providing a one-stop-centre catering to all the needs of the bereaved. A piece of leasehold land measuring approximately 35,470 square feet located at P.T. No. PT487, Mukim of Petaling, Wilayah Persekutuan (located along Jalan Sungai Besi approximately 5 km from Kuala Lumpur city centre) has been purchased on 11 September 1998 for this purpose. The leasehold land which expires on 26 August 2046 was purchased for a consideration of RM1.53 million which was financed through internally generated funds. The construction of the memorial centre is expected to commence in the second half of this year and is expected to be completed by the end of year 2002. The estimated cost of construction of the memorial centre is RM18.5 million.



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## 6. PROSPECTS AND FUTURE PLANS *(Cont'd)*

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The plan calls for the development of the following:-

- Twenty (20) memorial halls measuring approximately 22,312 square feet in total which will cater to various religions and cultures including Buddhists, Taoists and Christians;
- Four family rooms (attached suites for the privacy of the bereaved), out of which three (3) rooms measuring approximately 893 square feet each and one (1) room measuring approximately 549 square feet;
- A 24 hour coffee house measuring approximately 6,607 square feet for food and beverages;
- Showroom for caskets, urns and other bereavement care products; and
- Exclusive lobby and front office.

When completed, it will be the first of its kind in Malaysia.

### (c) **Service Centre for Funeral Affairs at Hospitals**

NVMC plans to develop and introduce service centres for funeral affairs at private and public hospitals.

In February 2000, NVMC, through PJMC, established a bereavement care service centre at University Hospital, Petaling Jaya, Selangor Darul Ehsan to cater exclusively for the needs of the bereaved at the hospital. NVMC plans to approach other private and public hospitals and proactively pursue the exclusive rights to develop service centres to meet the funeral needs of customers at hospitals.

### (d) **Supporting Products and Services**

Currently, certain subsidiaries, namely NIRL, NIRG and NIRD, are focusing on providing supporting products and services, such as:-

- Nursery and floral arrangements;
- Landscape architecture and ground maintenance; and
- Building and constructing monuments and tombs.

Although these products and services are already in existence, the focus to date has been on its own operations and customers. NVMC plans to launch from its existing business base to address more aggressively, markets outside its operations and customer base.

### (e) **Senior citizens' homes**

The Group is also presently evaluating the feasibility of establishing private senior citizens' homes, to cater for the need of a society with the projected increasing life expectancy, where the "old" (65 years and older) are expected to make up a larger proportion of the population in the future. Each home will provide various activities and facilities to cater for differing physical conditions and lifestyle expectations.

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**7. SHARE CAPITAL**


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***Authorised:-***

100,000,000 ordinary shares of RM1.00 each	<u>RM100,000,000</u>
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***Issued and fully paid-up:-***

59,465,000 ordinary shares of RM1.00 each	RM59,465,000
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***To be issued pursuant to the Public Issue:-***

10,535,000 new ordinary shares of RM1.00 each	<u>RM10,535,000</u>
	<u>RM70,000,000</u>

The issue price of RM3.30 for each share is payable in full on application.

There is only one class of shares in the Company, being ordinary shares of RM1.00 each. The Issue Shares will rank pari passu in all respects with the existing issued and paid-up ordinary shares of the Company including voting rights, dividends and distributions that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares that may be issued by the Company in the future, the shareholders of ordinary shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of liquidation of the Company, such surplus being distributed amongst the members in proportion to the paid-up capital at the commencement of the liquidation, in accordance with its Articles of Association.

At any general meeting of the Company, each shareholder shall be entitled to vote in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative or proxy to a shareholder shall have one vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorized representative shall have one vote for each ordinary share held. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

## 8. PARTICULARS OF THE PUBLIC ISSUE

### 8.1 Details of the Public Issue

The Public Issue is subject to the terms and conditions of this Prospectus and upon acceptance, the Issue Shares will be allocated in the following manner:-

**(a) Eligible Employees, Sales Agents, Suppliers and Subcontractors of the NVMC Group**

3,500,000 of the Issue Shares are to be reserved for eligible employees, sales agents, suppliers and subcontractors of the NVMC Group; and

**(b) Malaysian Public**

7,035,000 of the Issue Shares are to be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions, of which at least 30% is to be set aside strictly for Bumiputra individuals, companies, co-operatives, societies and institutions.

In the event that any of the Issue Shares under Section 8.1(a) above are not taken up by the eligible employees, suppliers, subcontractors and sales agents of the NVMC Group, such shares will be made available for application by members of the Malaysian public. The Issue Shares above have been fully underwritten by CIMB and the Underwriters set out in Section 2 of this Prospectus at an underwriting commission of 1.5% of the issue price of RM3.30 per ordinary share.

### 8.2 Purposes of the Public Issue

The purposes of the Public Issue are as follows:-

- (a) To provide an opportunity for eligible employees, sales agent, suppliers and subcontractors of the NVMC Group, and the Malaysian public to participate in the equity and in the continuing growth of the Group;
- (b) To enable the Company to gain access to the capital market to raise funds for the future expansion and continued growth of the NVMC Group; and
- (c) To obtain listing of and quotation for the entire issued and paid-up ordinary shares of NVMC on the Main Board of the KLSE.

### 8.3 Proceeds of the Rights Issue and Public Issue

The total gross proceeds receivable by the Company arising from the Rights Issue (details of which are set out in Section 9.2(iv) of this Prospectus) and Public Issue of RM55,686,250 will be utilised as follows:-

	Note	RM'000
To part finance the construction of urn repository columbariums and a one-stop memorial centre	(i)	21,000
To part finance the development expenditure at the memorial parks in Kajang, Kota Kinabalu and Kuching	(ii)	18,500
To finance the purchase of hearse and limousines	(iii)	8,000
To finance working capital		6,186
To defray estimated listing expenses		2,000
		55,686

## 8. PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

- (i) *Total construction cost of the urn repository columbariums in Kulai, Johor is approximately RM17.1 million and the cost of the memorial centre in Jalan Sungai Besi, Kuala Lumpur is approximately RM18.5 million.*

*The columbariums comprise one block of 2-storey Buddhist columbariums and one block of 2-storey Christian columbariums and will be able to house approximately 32,000 urns when completed. Approximately RM8.4 million of the proceeds will be utilised for the construction of the columbariums while the balance of the construction cost of approximately RM8.7 million will be financed through internally generated funds .*

*The Group has received the approval from the Kulai District Municipal Council for the conversion of its proposed joint venture land in Kulai, Johor and is currently waiting for approval from Jawatankuasa Hasil Bumi Kerajaan Negeri Johor. The construction of the columbariums is expected to commence in the second half of this year and is expected to be completed by the end of 2002. Sales is expected to commence only in the fourth quarter of financial year ending 31 December 2000 when part of the structure is expected to complete.*

*The memorial centre will be providing a one-stop centre catering to all the needs of the bereaved of various religions and cultures. The Group has received the approval for the development order from Dewan Bandaraya Kuala Lumpur for the construction of the memorial centre and is currently waiting for approval of the building plan. The construction of the memorial centre is expected to commence in the second half of this year and is expected to be completed by the end of 2002. Approximately RM12.6 million of the proceeds will be utilised for the construction of the memorial centre while the balance of the construction cost of approximately RM5.9 million will be financed through internally generated funds.*

- (ii) *Development expenditure is in respect of the memorial parks in Kajang, Kota Kinabalu and Kuching. This include estimated expenditure for landscaping work, infrastructure upgrading, earthworks, amenities, construction of site office building and other ancillaries as follows:-*

	<i>Kajang</i> <i>RM'000</i>	<i>Kota Kinabalu</i> <i>RM'000</i>	<i>Kuching</i> <i>RM'000</i>	<i>Total</i> <i>RM'000</i>
<i>Earthwork and infrastructure</i>	3,200	3,400	5,400	12,000
<i>Landscaping work, amenities, construction of site office building and other ancillaries</i>	4,100	1,600	800	6,500
<i>Total</i>	7,300	5,000	6,200	18,500

- (iii) *This represents the purchase of 4 units of hearse for approximately RM3.9 million and 4 units of limousine for approximately RM4.1 million for the funeral service packages by the end of this year.*

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## 8. PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

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### 8.4 Brokerage and Underwriting Commission

Brokerage is payable by the Company at the rate of 1.0% on the issue price of RM3.30 per ordinary share in respect of successful applications which bear the stamps of CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

The Managing Underwriter and Underwriters as mentioned herein have agreed to underwrite the Issue Shares which are available for application by eligible employees, sales agents, suppliers and subcontractors of the NVMC Group, and Malaysian citizens, companies, societies, co-operatives and institutions. Underwriting commission is payable by the Company at the rate of 1.5% on the issue price of RM3.30 per share.

### 8.5 Basis of Arriving at the Issue Price

The issue price of RM3.30 per ordinary share was determined and agreed upon by the Company and CIMB, as the Adviser and Managing Underwriter, after taking into account, inter-alia, the following factors:-

- (i) The Group's financial and operating history and conditions;
- (ii) The prospects of the Group and of the bereavement care industry;
- (iii) The forecast price earnings multiple of 9.23 times and 11.91 times based on the forecast EPS of 35.75 sen (based on weighted average number of shares in issue of 54,265,883 NVMC shares) and 27.71 sen (based on the enlarged issued and fully paid-up share capital of 70,000,000 NVMC shares) respectively for the year ending 31 December 2000;
- (iv) The proforma consolidated NTA per share of NVMC as at 31 December 1999 of RM1.48;
- (v) The forecast gross dividend yield of 3.0%; and
- (vi) The qualitative and quantitative factors of the NVMC Group as outlined in Sections 5, 6 and 9 of this Prospectus.

However, investors should also note that the market prices of NVMC shares upon and subsequent to listing on the Main Board of the KLSE are subject to the vagaries of market forces and other uncertainties, which may affect the price of NVMC shares being traded. Investors should also bear in mind the risk factors as set out in Section 4 of this Prospectus before deciding on whether or not to invest in the shares of NVMC.

### 8.6 Moratorium on Sale of Shares

It is a condition of the SC via their approval dated 10 April 2000 that the promoters of NVMC will not be allowed to sell, transfer or assign their shareholdings amounting to forty five percent (45%) of the enlarged issued and paid-up capital in NVMC within one (1) year from the date of admission of NVMC to the Official List of the Main Board of KLSE.

Thereafter, in every subsequent year, each of the promoters is permitted to sell, transfer or assign only up to a maximum of one-third (1/3), on a straight-line basis, of their respective shareholding in NVMC which are under moratorium.

**8. PARTICULARS OF THE PUBLIC ISSUE (Cont'd)**

The moratorium imposed by the SC is as follows:-

	<b>Shareholding after the &lt;-----Public Issue-----&gt;</b>		<b>Shares placed under &lt;-----moratorium-----&gt;</b>	
	<b>No. of ordinary shares held</b>	<b>% of issued and paid-up share capital</b>	<b>No. of ordinary shares held</b>	<b>% of issued and paid-up share capital</b>
MT	23,129,549	33.04	19,250,000	27.50
AG	14,714,107	21.02	12,250,000	17.50
	<b>37,843,656</b>	<b>54.06</b>	<b>31,500,000</b>	<b>45.00</b>

The above-mentioned promoters have agreed to the moratorium arrangement and the restrictions imposed.

The remarks to be endorsed on the share certificates of the shares placed under moratorium are as follows:-

*"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the SC ("Moratorium Period"). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction."*

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## 9. INFORMATION ON THE NVMC GROUP

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### 9.1 Incorporation

NVMC was incorporated in Malaysia under the Companies Act, 1965 on 25 September 1990 under the name of Tavoy Traders Sdn. Bhd.. The Company changed its name to Kumpulan Nir-Warna Sdn. Bhd. on 20 October 1993 and on 9 March 1994, it changed its name to Ide Bakti Development & Construction Sdn. Bhd..

The Company was converted into a public company on 23 September 1995. On 13 October 1995, it changed its name to NV Multi Corporation Bhd.. The Company was reconverted to a private limited company on 12 March 1998 and on 16 July 1999, it was converted back into a public company.

### 9.2 Restructuring Scheme

In conjunction with, and as an integral part of the listing of and quotation for the entire issued and paid-up ordinary shares of NVMC on the Main Board of the KLSE, the Company undertook a restructuring scheme which was approved by the SC on 10 April 2000, FIC on 6 October 1999 and MITI on 8 October 1999, involving the following:-

#### (i) Issue of New Shares

On 19 June 2000, the Directors of NVMC issued 50 new ordinary shares of RM1.00 each in NVMC at par for cash to MT. Subsequently, on the same day, MT disposed of the abovementioned shares to 50 new shareholders at no charge. The 50 new ordinary shares of RM1.00 each rank pari passu in all respects with the existing ordinary shares of NVMC save for the bonus issue and the rights issue as set out in Sections 9.2 (iii) and 9.2 (iv) respectively below.

#### (ii) Revaluation

On 19 June 2000, the Directors of NVMC revalued the Company's cost of investments in subsidiaries to their respective audited net tangible asset values as at 31 December 1999, resulting in a revaluation surplus of RM47,174,328 as follows:-

	<b>RM</b>
NTA of the NVMC Group as at 31 December 1999	49,878,077
Add: Cost of investments eliminated at consolidation level	2,135,612
	<u>52,013,689</u>
Less: NTA of NVMC as at 31 December 1999	<u>(2,703,749)</u>
NTA of subsidiaries as at 31 December 1999	49,309,940
Less: Cost of investment in subsidiaries in NVMC's books	<u>(2,135,612)</u>
Revaluation surplus arising from revaluation of NVMC's investment in its subsidiaries	<u>47,174,328</u>

This revaluation surplus has been incorporated into NVMC's accounts for the financial year ending 31 December 2000.

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**

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**(iii) Bonus Issue**

Upon completion of the revaluation as set out in Section 9.2 (ii) above, the Company had on 19 June 2000 implemented and completed a bonus issue of 36,573,000 new ordinary shares of RM1.00 each credited as fully paid-up in NVMC to the shareholders of NVMC on the basis of approximately 18.55 new ordinary shares for each existing ordinary share held by way of capitalising RM36,573,000 from the revaluation surplus arising from the abovementioned revaluation. The aforesaid bonus issue has been approved by the MOF under Section 365(1D) of the Companies Act, 1965.

Dato' Dr Kong Hon Kong, a substantial shareholder of NVMC, transferred his entitlement to 9,359,937 new ordinary shares of RM1.00 each pursuant to the aforesaid bonus issue to AG, an investment holding company owned by him.

The 36,573,000 new ordinary shares of RM1.00 each in NVMC arising from the abovementioned bonus issue rank *pari passu* in all respects with each other and the existing ordinary shares of NVMC save for the rights issue as set out in Section 9.2 (iv) below.

Upon completion of the bonus issue, the issued and paid-up share capital of NVMC increased to RM38,544,250 comprising 38,544,250 ordinary shares of RM1.00 each.

**(iv) Rights Issue**

On 20 June 2000, NVMC implemented and completed a rights issue of 20,920,750 new ordinary shares of RM1.00 each in NVMC at par to the shareholders of NVMC on the basis of approximately 10.61 new ordinary shares for each ordinary share held before the bonus issue as set out in Section 9.2 (iii) above.

Dato' Dr Kong Hon Kong renounced his entitlement to 5,354,150 new ordinary shares of RM1.00 each pursuant to the aforesaid rights issue to AG.

The utilisation of the gross proceeds of RM20,920,750 from the abovementioned rights issue has been set out in Section 8.3 of this Prospectus.

The 20,920,750 new ordinary shares of RM1.00 each in NVMC arising from the abovementioned rights issue rank *pari passu* in all respects with each other and the existing ordinary shares of NVMC save for the bonus issue as set out in Section 9.2 (iii) above.

Upon completion of the rights issue, the issued and paid-up share capital of NVMC increased to RM59,465,000 comprising 59,465,000 ordinary shares of RM1.00 each.

**(v) Public Issue**

In conjunction with the listing of and quotation for its entire issued and paid-up share capital on the Main Board of the KLSE, NVMC proposes to implement a public issue of 10,535,000 new ordinary shares of RM1.00 each in NVMC at an issue price of RM3.30 per new ordinary share to eligible employees, suppliers, subcontractors and sales agents of the NVMC Group, and the Malaysian public.

The 10,535,000 new ordinary shares of RM1.00 each in NVMC to be issued pursuant to the Public Issue will rank *pari passu* in all respects with each other and existing ordinary shares of NVMC.

Upon completion of the Public Issue, the issued and paid-up share capital of NVMC will increase to RM70,000,000 comprising 70,000,000 ordinary shares of RM1.00 each.



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## 9. INFORMATION ON THE NVMC GROUP *(Cont'd)*

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### 9.3 Business Overview

#### 9.3.1 History and Business Activities

In 1990, the Group commenced the development of Nirvana Memorial Park, Kajang on a piece of freehold land measuring approximately 50 acres located in Semenyih, Selangor Darul Ehsan about 30 km south of Kuala Lumpur. Ever since its launching in 1990, sales of burial lots and urn compartments in the Nirvana Memorial Park, Kajang have been encouraging whereby the total turnover from its initial launch in 1990 to 31 December 1999 was approximately RM253 million generated from the sale of approximately 20,000 burial lots and urn compartments. This has resulted in the Group acquiring more land, especially adjoining agricultural land as well as land in other states namely, Sabah, Sarawak and Johor, and subsequently applying for conversion into cemetery land over the years.

Todate, the Group has acquired a total of 449 acres of land and has another 66 acres for development by way of joint-ventures with the landowners in Nirvana Memorial Park, Kajang. Of the total 515 acres of land in Kajang, approximately 181 acres have been developed into burial lots and sold. The total turnover generated from the sales of these 181 acres of land amounted to approximately RM238 million. Of the remaining 334 acres, 68 acres have already been developed and demarcated, and the balance of 266 acres are currently either in the process of development or conversion. As at 17 June 2000, the Group has approximately 7,000 burial lots available for sale.

Besides land for burial use, the Group has also completed the construction of 38 blocks of pavilion, providing a total of 3,360 urn compartments for doubles and 1,400 urn compartments for singles in Nirvana Memorial Park, Kajang. In 1997, the Group completed the construction of a dragon structure measuring approximately 1,000 feet which can accommodate 6,711 urn compartments located in the same memorial park. As at 17 June 2000, approximately 7,000 urn compartments are available for sale.

In addition, the Group is currently constructing 10 blocks of columbariums, providing a total of 8,500 single urn compartments and 5,280 double urn compartments located at the same park. It is estimated that the entire construction will be completed by the end of this year.

In Sabah, Sarawak and Johor, as at 17 June 2000, the Group has acquired a total of 54 acres of land and has another 154 acres for development by way of joint-venture with the landowners. Of the total 208 acres, approximately 10 acres have been developed into burial lots and sold. The total turnover generated from the sales of these 10 acres of land amounted to approximately RM20 million. Of the remaining 198 acres, 24 acres have already been developed and demarcated, 4 acres have been gazetted for road improvement and the balance of 170 acres are currently either in the process of development or conversion.

The Group is also involved in the sales and construction of tombs and monuments, the supply of granites and marbles and maintenance of the memorial park.

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**

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In 1999, the Group moved upstream into the provision of funeral services through the acquisition of PJMC, a reputed funeral home located in Jalan 229, Section 51A, 46100 Petaling Jaya, Selangor Darul Ehsan. The acquisition of PJMC is a significant one as PJMC will play a strategic role in the Group's bereavement care business. This is because as a funeral home, it is the first point-of-contact for the customers. It is through the funeral homes that bulk of the other bereavement products and services would originate from. This creates significant synergies for the NVMC Group. On 1 January 2000, the Group had also acquired HLH, which had, on 1 December 1999 acquired the undertaker business of Perniagaan Hock Long Heng, a reputed funeral undertaker located at 43, Jalan Perisai, Taman Sri Tebrau, 80050 Johor Bahru, Johor Darul Takzim. With PJMC and HLH in its stable, the NVMC Group plans to embark aggressively into pre-need funeral services, a market which is still relatively underdeveloped but which the Directors believe holds significant growth potential.

Beside its main burial and urn compartment activities and funeral services, the Group has also ventured into housing development. In November 1997, the Group embarked on its maiden housing development project known as Taman Sri Putra, Sungai Buloh, Selangor Darul Ehsan. Phase I of this project, which occupies an area of 15.5 acres, consists of 134 units of double storey link house and 88 units of medium cost walk up apartment. All units in Phase I have been sold and they were delivered in December 1999. The total sales generated from Phase I, Taman Sri Putra was approximately RM35 million.

Following the success of Phase I, Taman Sri Putra, the Group, through GJ, launched Phase II, Taman Sri Putra, a project occupying an area of 19.7 acres. This phase consists of 195 units of double storey link house, 78 units of low cost walk up apartment and 79 units of low medium cost walk up apartment. Construction commenced in July 1999 and has currently reached approximately 50% stage of completion. Sales were launched in September 1999 and the entire phase is expected to be completed by the end of 2001. Taman Sri Putra, Phase II will generate a total sales of approximately RM41 million. The estimated development cost for this phase is approximately RM31 million.

The Group is expected to launch Taman Sri Putra, Phase III through RD by year end by way of a joint venture with the landowner, Teh Hang Wha. The landowner will receive 30% of the total housing units upon the completion of Phase III. This development will consist of 26 units of double storey link house and 18 units of double storey shophouse, occupying an area of approximately 5 acres. The estimated sales and development cost of this phase is approximately RM7 million and RM6 million respectively. The Group has obtained the building plan approval from the Majlis Perbandaran Selayang on 17 May 2000. The construction is expected to commence in the second half this year and to be completed by end of 2001.

The SC, vide its approval dated 10 April 2000, has imposed a condition that the NVMC Group is to concentrate solely on the bereavement care business and cease to be involved in any other non-related industry for a period of three (3) years from the date of its listing on the Main Board of the KLSE. Accordingly, the NVMC Group will cease to be involved in any future property development projects upon the completion of the Phase III, Taman Sri Putra until such appropriate time.

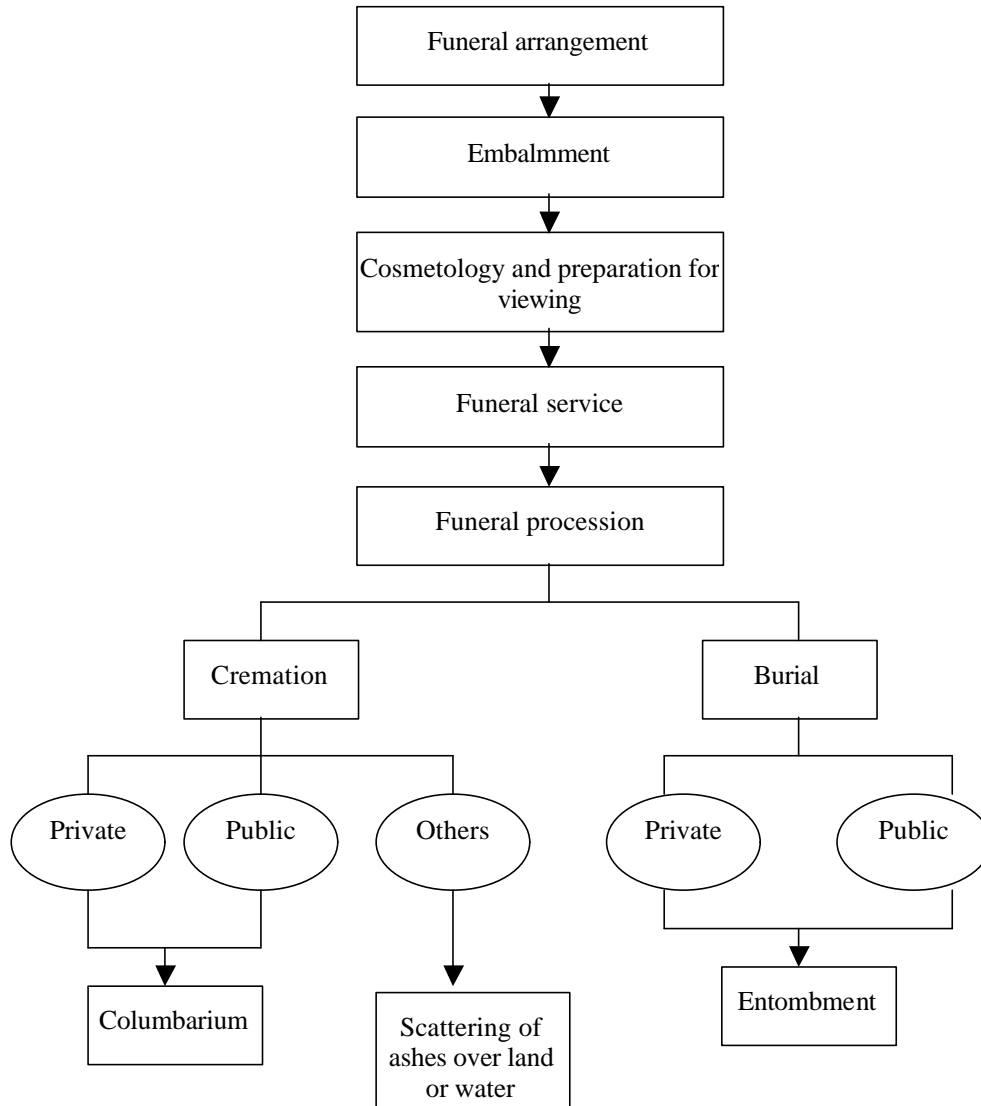
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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**

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**9.3.2 Bereavement Care Process**

The process flow of NVMC's integrated bereavement care services starts with the funeral home and ends either in a memorial park or a columbarium. NVMC's process of providing bereavement care services comprises the following steps:-



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## 9. INFORMATION ON THE NVMC GROUP *(Cont'd)*

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### (i) **Funeral Arrangement**

The first process of the bereavement care involves the arrangement and preparation of the funeral service. This will form the first point of contact for the bereaved.

PJMC and HLH play a significant role providing not only advisory services to the bereaved but also more importantly, they represent the main co-ordinator for the entire funeral process. Both PJMC and HLH coordinate the entire process from documentation to arrangements and preparations for the ceremony including selection of casket or urn, arrangement of flowers, catering of food and beverages, prayer services and other religious ceremonies, and transportation for the deceased, families and friends the bereaved.

As such, PJMC and HLH are important channels for sales of NVMC's bereavement care products and services.

### (ii) **Embalmmnt**

The process of embalmmnt is undertaken in-house by PJMC. This is followed by preparation of the deceased for viewing.

Embalmmnt is a process whereby chemicals are injected into the body for preservation purpose. The main chemicals used include formaldehyde, boric acid, glycerine and alcohol. This is an important process as traditionally, with the exception of Muslims, religious ceremonies require the body to be kept for a few days for families and friends to pay their last respect. As such, the body of the deceased needs to be preserved for this short period of time.

Embalming is a professional service and requires special skills and equipment. In this regard, PJMC differs from most of its competitors in that it has on-site professional embalming service as well as a fully equipped mortuary for the cleaning, preparation and embalming process.

### (iii) **Funeral Service**

PJMC and HLH are responsible for coordinating and preparing the religious ceremonies including sourcing for the religious person to conduct the ceremonies.

Depending on religion and race, funeral services are commonly held in either one of the following places:-

- Funeral parlours;
- Churches;
- Temples; and
- Homes of the bereaved.

PJMC is the only funeral home in the Selangor and Kuala Lumpur area that has on the same premise, a venue for conducting funeral services as its office, which it rents from the Petaling Jaya Chinese Cemetery Association.

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## 9. INFORMATION ON THE NVMC GROUP *(Cont'd)*

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### (iv) Disposition

There are two methods for the disposition of the body:-

- cremation; and
- burial.

The funeral homes or undertakers are responsible for co-ordinating the disposition process.

#### (a) Cremation

PJMC has access to an on-site crematorium, which is owned by the Petaling Jaya Chinese Cemetery Association. Presently, all crematoria facilities are owned and operated by the Malaysian Government and non-governmental organisations.

The cremation process involves subjecting the body to intense heat and flame in the cremation chamber at approximately 870 to 1,100 degrees celsius until it is totally consumed, a process which takes approximately two and a half (2½) hours to complete and a further five (5) hours for cooling down. The remains are then placed directly into the chosen memorial urn.

The bereaved can choose to memorialise the deceased in the following manner:-

- placing the urn in a columbarium;
- burying the urn in the ground in a memorial park or a public cemetery;  
or
- other means such as scattering the ashes over land or water.

#### (b) Burial

There are two main options for earth burial, which is either in a private memorial park or public cemetery.

Earth burial would also require the construction of monuments or tombs to mark the grave of the deceased.

### 9.3.3 Raw Material Sourcing

The major categories of raw materials and products used by the NVMC Group are as follows:-

- (i) caskets;
- (ii) urns; and
- (iii) raw materials for the construction of tombs and monuments.

#### (i) Supply of Caskets

The supply of caskets is sourced locally as well as from overseas. Based on the audited accounts of PJMC for the 15 months ended 31 December 1999, approximately 96 % of caskets are sourced locally with the remaining from overseas.

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**


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For local caskets, the bulk of PJMC's sources come from Changann Industries Sdn. Bhd. in Ipoh and Heng-Da-Lai Sdn. Bhd. in Penang, which PJMC has had business relationships for over 10 and 3 years respectively.

Imported caskets are of higher quality and are therefore more expensive. Some of them could be made of metal or furnished with gold-plated handles and ornaments. The imported caskets are mainly sourced from the United States and includes the following brands:-

- Batesville Caskets (from Batesville, a subsidiary of Hillenbrand Industries); and
- York Caskets (from The York Group).

There are ample supplies of local and imported caskets. The only 'shortage' is the inability to meet the unique requirements or specifications of some customers.

**(ii) Supply of Urns**

Urns used in Malaysia are mainly made from the following materials:-

- porcelain (the most popular);
- semi-precious stone;
- marble;
- granite; and
- wood.

Most of the urns used in Malaysia are imported. Major countries of import include Italy (marble and granite), Pakistan (marble), India (marble), Taiwan (porcelain) and China (porcelain and wood).

PJMC imports approximately 80% of its urns from China with the remaining from Pakistan.

Although Malaysia has marble and granite quarries, there are very few local producers of urns. However, the Directors of NVMC are of the opinion that there is no threat in the supply of urns as sources are diversified over many countries and the raw materials used are plentiful in the countries of origin.

**(iii) Building Material**

Building materials required for the construction of monuments, are as follows:-

<b>Raw Materials</b>	<b>Usage by Value (%)</b>
Granite	66.9
Cement	6.5
Bricks	1.8
Tiles	14.8
Others	10.0
Total	<u>100.0</u>

*(Source: Based on management records of the NVMC Group for the year ended 31 December 1999)*

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**


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Most of the raw materials are sourced locally, thereby saving on foreign exchange. The major categories of components, their main suppliers and length of supplier relationships are provided below: -

<b>Raw Materials</b>	<b>Main Suppliers</b>	<b>Supplier Since</b>
Granite	Minda Cemerlang Sdn. Bhd.	1996
Cement	Jaguh Bina Sdn. Bhd.	1998
	CMCM Perniagaan Sdn. Bhd.	1998
	Trimerge Trading	1998
Bricks	Sin Heap Fatt Brickworks Sdn. Bhd.	1992
	Blacktop Cement Bricks Sdn. Bhd.	1997
Tiles	Builder Square Sdn. Bhd.	1995
Steel Bars	Idatena Industries Sdn. Bhd.	1998
	Eng Seong Hardware Trading Sdn. Bhd.	1996

With the exception of granite, there is an abundant source of supply for the other raw materials in the country: -

- Cement = About 11 cement plants locally in 1998
- Bricks = About 300 brick factories locally in 1998
- Tiles = About 17 manufacturers locally in 1998

*(Source: Industry Brief on Cement and Concrete Products, Industry Brief on Ceramic Products, Malaysian Industrial Development Authority)*

The NVMC Group, through MC, presently sources all its granite requirements from China through Teck Huat, Hock Heng Granite Sdn. Bhd., Hock Mah Marketing Sdn. Bhd. in Melaka and Onn Teck Granite Trading in Kuala Lumpur. MC has had over 2 to 3 years business relationships with these suppliers and has not had any supply problem in that period of time.

In addition to the above raw materials, the supply of land bank is also critical to the Group.

As at 17 June 2000, the Group has available 440 acres of undeveloped land and 92 acres of developed and demarcated land. It is estimated the existing land bank will be sufficient to last more than 10 years based on projected sales. Adjoining land may be acquired for further expansion when needed.

In the immediate future, the Group plans to continue replenishing their land bank by either acquiring land or enter into joint venture development with landowners in Butterworth, Penang to add to the existing land bank in Kajang, Kota Kinabalu, Kuching and Johor Bahru.

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## 9. INFORMATION ON THE NVMC GROUP *(Cont'd)*

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### 9.3.4 Customers, Marketing and Distribution

#### (i) Customers

The market for the Group's products and services can be divided into two (2) segments:-

- As-need market segment; and
- Pre-need market segment.

#### (a) As-need market segment

The as-need market segment focuses on recently bereaved families for sales of NVMC's bereavement care products and services. Naturally, those in the higher age groups are more vulnerable.

As such, users of as-need bereavement care products and services are mainly the adult population of Malaysia and the demand for the as-need market segment is predicated by mortality.

It is also common practice that the bereaved would seek funeral home and burial service within the same state. As the Group presently has memorial parks in the Selangor/Kuala Lumpur, Kota Kinabalu, Sabah and Kuching, Sarawak, the practical and current market for the Group's products and services will be predominantly in these 3 locations.

With future plans to develop memorial park, columbarium, crematorium and funeral parlour in Johor, and memorial park in Penang, the Group is establishing a chain of funeral homes and burial grounds covering some of the states with highest incidence of mortalities in Malaysia.

#### (b) Pre-need market segment

The pre-need market segment comprises mainly three (3) categories of operators, namely:-

- Funeral homes;
- Private memorial parks; and
- Private columbariums.

The pre-need market targets the entire non-Muslim population of Malaysia as pre-need packages can be used anytime in the future. Based on the Group's past experience, however, the target customer group for pre-need products and services are those in the 40 to 59 age group.

NVMC's turnover split between the two types of funeral burial needs in 1999 were approximately 80% pre-need and approximately 20% as-need. (*Source: Management records of NVMC for the year ended 31 December 1999*)

As such, NVMC's business is not solely dependent on the smaller market segment of as-need mortality, but is focused on the larger market of pre-need buyers.



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## 9. INFORMATION ON THE NVMC GROUP *(Cont'd)*

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### (ii) Marketing and Distribution

#### (a) Marketing strategies

As bereavement care products and services are targeted at the general community, the Group's marketing strategies utilises a combination of mass and targeted marketing approaches.

##### *Mass Marketing Activities*

The objective of mass marketing activities is to promote the general market awareness of NVMC as an organisation by undertaking the following activities:-

- organising charity and community events, and other public relations programmes;
- publication of newspaper articles on the bereavement care industry to educate and inform the public; and
- general advertisements through newspapers and business magazines.

##### *Targeted Public Relations Activities*

The objective of targeted public relations activities is to promote and project NVMC as a caring organisation particularly among the senior citizens.

To this end, NVMC has established service centres in Pudu, Sri Petaling, Cheras, Old Klang Road, Ampang, and Serdang in Kuala Lumpur, and Melaka. Service centres will continue to be established in other districts in future. These service centres are primarily responsible for targeted marketing activities including organising special community activities for senior citizens within their respective district. Some of the activities include:-

- free medical consultation;
- health seminars;
- festival celebrations;
- family day gatherings;
- Tai-chi and Qi-gong classes; and
- cooking classes.

#### (b) Distribution Network

The Group utilises mainly indirect distribution channels to market its range of bereavement care products and services. This is supported by NVA, a wholly-owned subsidiary of NVMC, which is responsible for pricing, marketing planning and promotions, training and organising community related programmes and events.

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## 9. INFORMATION ON THE NVMC GROUP *(Cont'd)*

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The Group's extensive indirect distribution channels include:-

(i) Authorised Sales Agent

Natural Care ("NC"), a sole proprietor principally engaged as the marketing agent for NVA, is mainly responsible for as-need sales of burial lots and urn compartments. NC currently has two (2) employees and its office is located at 1/6-A, BT. 7, Jalan Kepong, 52100 Kuala Lumpur.

(ii) District Sales Agents

There are 12 qualified Agency Managers. Each Agency Manager is assisted by sales managers and executives. These district sales agents are mainly responsible for pre-need sales of burial lots and niches and report directly to NVA.

(iii) Intermediaries who provide referrals and recommendations to customers such as:-

- Temples;
- Churches;
- Associations;
- Non-government organisations;
- Hospitals;
- Hospices;
- Funeral undertakers;
- Funeral homes; and
- Ambulance services.

The Group's extensive distribution network ensures a wide sales coverage for its products and services. In addition, its community reach programmes and activities organised for senior citizens has generated increased market awareness and enhanced the reputation of NVMC as a caring organisation.

### 9.3.5 Research and Development

The Group's research and development is focused towards the product development and the processes of its operation. The main areas are:-

- Product packaging; and
- Development of memorial parks and columbariums.

There are ample opportunities for the Group to learn from experiences overseas where practices in the bereavement care industry is more advanced. In addition, NVMC also undertakes researches into practices in Asian countries especially Japan, Taiwan and Hong Kong to learn and adopt product developments from these countries.

These areas of research and development are important to the Group in ensuring that the bereavement care products and services provided are at least equivalent to international standards and practices.

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**


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Currently, the Group has two (2) permanent staff in the research and development department. The Group utilised approximately RM300,000 on research and development in 1999.

**(a) Product Packaging**

NVMC has introduced similar but modified concepts in packaging of bereavement care products and services for the Malaysian market by studying overseas trends. This is aptly demonstrated in the following products packaging:-

- Pre-need funeral products which involves purchasing burial lots, urn compartment, funeral service packages and tombs in advance for future requirements; and
- Insurance coverage as part of pre-need funeral services.

Traditionally, the bereavement care industry has always been highly dependent on the as-need market. This is also governed by the nature of the industry, which focuses on reactive rather than pro-active approach to sales. The introduction of pre-need funeral packages has enabled the Group to achieve incremental growth from this approach of pro-active marketing and selling of bereavement care products and services.

Areas of research and development for product packaging include:-

- selection of successful and proven product packaging concepts by researching and studying bereavement care products and services offered in developed nations;
- identifying target consumers for new product packaging options in Malaysia;
- identifying needs and requirements of target consumers;
- testing and modifying product concepts and costing; and
- profiling target customer groups through use of information technology to ensure more effective marketing of bereavement care products and services, especially for pre-need packages.

The ability to continually introduce innovative product packaging options is a key differentiation that has enabled the Group to stay ahead of its competitors.

**(b) Development of Memorial Parks and Columbariums**

The other area of research and development is in the design of:

- Landscape, facilities and amenities of the memorial parks;
- Monuments that are unique, attractive and functional; and
- Attractive and well-appointed columbariums.

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## 9. INFORMATION ON THE NVMC GROUP *(Cont'd)*

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To this end, NVMC has, through selection of international best practices, developed unique and innovative designs in its memorial parks, monuments and columbariums. One example is the dragon structure completed in 1998 located in Nirvana Memorial Park, Kajang. The dragon structure which measures approximately 1,000 feet long is Malaysia's longest dragon statue and has 6,711 unit compartments which can house 8,262 urns.

### 9.3.6 Quality Control

Through NIR, the NVMC Group obtained the ISO 9002 certification award on 18 February 1998 for the provision of sales, maintenance and services of memorial park. Nirvana Memorial Park, Kajang is the first privatised memorial park in Malaysia which has been awarded this certification, demonstrating the Company's on-going commitment to quality support for customers.

The ISO 9002 standard requires a company to have a three-tier documented quality assurance system in place. This system must include:-

- (i) a quality manual which describes the company's quality philosophy;
- (ii) quality procedures; and
- (iii) work instructions which describe in detail how the quality procedures are accomplished.

ISO 9002 certification ensures that the Group consistently delivers quality service according to its policies and objectives, which are directed towards constantly meeting and exceeding the expectation of the customers.

Customers are also assured of perpetual maintenance of the burial grounds. The Group has established a maintenance trust fund for each of the memorial park where maintenance fees collected from the sale of its burial lots are set aside under the custodian of trustee companies for the sole purpose of providing perpetual maintenance to the Group's memorial parks located in Kajang, Sabah and Sarawak. As of 17 June 2000, NIR has deposited approximately RM10.7 million with PB Trustee Services Berhad while NIRS and NIRK have deposited RM500,000 and RM100,000 respectively with BHLB Trustee Berhad.

### 9.3.7 Human Resource and Training

As at 17 June 2000, the NVMC Group has 324 employees (including 54 foreign workers) and 1,674 registered district sales agents. The district sales agents play an important role in the growth of the Group. As such, training is consistently provided to all district sales agents which encompasses the following:-

- (i) Business prospects;
- (ii) Company background and product knowledge;
- (iii) Agency duties and responsibility;
- (iv) Sales techniques;
- (v) Site training;
- (vi) Agency management;
- (vii) Understand customers behaviour and relationship building;
- (viii) Communication and negotiation skills;
- (ix) Personal development; and
- (x) Managerial skills.

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**


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All sales agents must go through a series of classes and training established by the in-house training department and sit for internal examinations, both written and oral, before they are allowed to be sales agents at the respective district agency's office.

**9.4 Changes in Share Capital**

The authorised share capital of NVMC is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of NVMC is RM59,465,000 comprising 59,465,000 ordinary shares of RM1.00 each.

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

<b>Date of allotment</b>	<b>No. of ordinary shares of RM1.00 each allotted</b>	<b>Consideration</b>	<b>Issued and paid-up share capital RM</b>
25.09.90	2	Subscribers' shares	2
20.09.93	210,198	Cash	210,200
04.12.96	1,051,000	Bonus issue of 5 shares for each share held	1,261,200
11.01.99	700,000	Cash	1,961,200
28.06.99	10,000	Cash	1,971,200
19.06.00	50	Cash	1,971,250
19.06.00	36,573,000	Bonus issue of approximately 18.55 shares for each share held	38,544,250
20.06.00	20,920,750	Rights issue of approximately 10.61 shares for each share held at par	59,465,000

## 9. INFORMATION ON THE NVMC GROUP (Cont'd)

### 9.5 Profit and Dividend Records

#### Company

The following table sets out a summary of the audited results of the Company for the past three (3) financial years ended 30 June 1997, the 18 months ended 31 December 1998 and the financial year ended 31 December 1999:-

	< -Financial year ended 30 June - >			18 months	Financial
	1995	1996	1997	ended 31	year ended
	RM'000	RM'000	RM'000	December	December
				1998	1999
				RM'000	RM'000
Turnover	4,500	7,724	6,429	7,180	26,709
Operating profit before charges for depreciation, interest and taxation	4,488	7,678	6,151	7,119	26,346
Depreciation	-	-	-	-	-
Interest	-	-	-	-	-
Operating profit after depreciation and interest but before taxation	4,488	7,678	6,151	7,119	26,346
Exceptional item	-	-	-	(404)	-
Profit before taxation	4,488	7,678	6,151	6,715	26,346
Taxation	(1,350)	(2,314)	(1,855)	(1,960)	(1,070)
Profit after taxation	3,138	5,364	4,296	4,755	25,276
Extraordinary items	478	(276)	(176)	-	-
Profit after taxation and extraordinary items	3,616	5,088	4,120	4,755	25,276
Number of shares in issue ('000)	210	210	1,261	1,261	1,971
Weighted average number of shares in issue ('000)*	37,834	37,834	37,834	37,834	38,510
Net EPS (sen)	8.29	14.18	11.35	8.38#	65.63
NTA (RM'000)	798	785	2,405	2,120	2,704
NTA per share (RM)	3.80	3.74	1.91	1.68	1.37
Gross dividend rate (%)	2,039	3,469	283	555	1,328

\* Adjusted for bonus issues

# Annualised

#### Commentary:-

1. Turnover of the Company from 1995 to 1997 relates to dividends received from its subsidiaries. In 1998 and 1999, the Company has also provided services to NIR and received management fees of RM180,000 and RM240,000 respectively for the period/year. Turnover for 1997 was lower due to less dividends declared by its subsidiaries. Profit after taxation has also reduced accordingly.

The significant increase in both turnover and profit after taxation in 1999 was mainly due to substantial dividends declared by its subsidiaries in respect of the after-tax profit for the financial year ended 31 December 1999.

## 9. INFORMATION ON THE NVMC GROUP (Cont'd)

2. The extraordinary items for the years/period under review are set out below:-

	<Financial year ended 30 June->			18 months	Financial
	1995	1996	1997	ended 31	year ended
	RM'000	RM'000	RM'000	December	December
Gain on disposal of subsidiaries	478	-	-	-	-
Expenses in respect of proposed listing	-	(276)	(176)	-	-
	478	(276)	(176)	-	-

3. The exceptional item for the eighteen (18) months ended 31 December 1998 relates to expenses incurred in respect of a listing proposal written off.

### Group

The following table sets out a summary of the audited consolidated results of NVMC for the past three (3) financial years ended 30 June 1997, the 18 months ended 31 December 1998 and the financial year ended 31 December 1999:-

	< ---Financial year ended 30 June --- >			18 months	Financial
	1995	1996	1997	ended 31	year ended 31
	RM'000	RM'000	RM'000	December	December
Turnover	46,333	68,035	81,452	106,307	99,273
Operating profit before charges for depreciation, interest and taxation	14,540	19,553	22,656	36,485	28,702
Depreciation	(375)	(601)	(718)	(1,512)	(1,577)
Interest	(59)	(113)	(63)	(477)	(972)
Operating profit after depreciation and interest but before taxation	14,106	18,839	21,875	34,496	26,153
Exceptional items	-	-	-	(404)	-
Profit after exceptional items	14,106	18,839	21,875	34,092	26,153
Share of profit in associated companies	-	-	5	55	61
Profit before taxation	14,106	18,839	21,880	34,147	26,214
Taxation	(4,377)	(5,847)	(7,352)	(8,972)	(133)
Profit after taxation	9,729	12,992	14,528	25,175	26,081
Minority interests	(63)	(1,083)	(901)	(854)	(675)
Profit after taxation and minority interests but before extraordinary items	9,666	11,909	13,627	24,321	25,406
Extraordinary items	142	118	(136)	-	-
Profit after taxation, minority interests and extraordinary items	9,808	12,027	13,491	24,321	25,406
No. of shares in issue ('000)	210	210	1,261	1,261	1,971
Weighted average number of shares ('000)#	37,834	37,834	37,834	37,834	38,510
Net EPS (sen)	25.55	31.48	36.02	42.86*	65.97
NTA (RM'000)	12,799	19,713	30,635	49,723	49,878
NTA per share (RM)	60.95	93.87	24.29	39.43	25.31
Gross dividend rate (%)	2,039	3,469	283	555	1,328

# Adjusted for bonus issues

\* Annualised

## 9. INFORMATION ON THE NVMC GROUP (Cont'd)

A breakdown of the Group's turnover for the years/period above is as follows:-

	Financial year ended 30 June								
	1995			1996			1997		
	RM'000	Unit	%	RM'000	Unit	%	RM'000	Unit	%
Burial land and urn compartment	28,483	3,276	61.48	50,142	4,412	73.70	60,624	5,183	74.43
Tombs, landscape and maintenance	17,850	NA	38.52	17,893	NA	26.30	20,263	NA	24.88
Funeral service	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Sale of health food products	-	-	-	-	-	-	565	NA	0.69
<b>Total</b>	<b>46,333</b>		<b>100.00</b>	<b>68,035</b>		<b>100.00</b>	<b>81,452</b>		<b>100.00</b>

	18 months ended 31 December			Financial year ended 31 December		
	1998			1999		
	RM'000	Unit	%	RM'000	Unit	%
Burial land and urn compartment	53,732	3,943	50.55	42,434	2,476	42.74
Tombs, landscape and maintenance	30,122	NA	28.33	22,332	NA	22.50
Funeral service	-	-	-	12,790	NA	12.88
Housing	22,156	NA	20.84	21,705	NA	21.87
Sale of health food products	297	NA	0.28	12	NA	0.01
<b>Total</b>	<b>106,307</b>		<b>100.00</b>	<b>99,273</b>		<b>100.00</b>

NA Not Applicable

A breakdown of the Group's profit/(loss) before taxation for the years/period above is as follows:-

	Financial year ended 30 June					
	1995		1996		1997	
	RM'000	%	RM'000	%	RM'000	%
Burial land and urn compartment	12,064	85.52	13,961	74.11	16,147	73.80
Tombs, landscape and maintenance	2,042	14.48	4,878	25.89	5,737	26.22
Funeral service	-	-	-	-	-	-
Housing	-	-	-	-	(4)	(0.02)
Sale of health food products	-	-	-	-	-	-
<b>Total</b>	<b>14,106</b>	<b>100.00</b>	<b>18,839</b>	<b>100.00</b>	<b>21,880</b>	<b>100.00</b>

	18 months ended 31 December		Financial year ended 31 December	
	1998		1999	
	RM'000	%	RM'000	%
Burial land and urn compartment	17,823	52.19	12,794	48.81
Tombs, landscape and maintenance	14,255	41.75	9,146	34.89
Funeral service	-	-	2,048	7.81
Housing	2,069	6.06	2,226	8.49
Sale of health food products	-	-	-	-
<b>Total</b>	<b>34,147</b>	<b>100.00</b>	<b>26,214</b>	<b>100.00</b>



## 9. INFORMATION ON THE NVMC GROUP (Cont'd)

### Commentary:-

1. Turnover of the Group increased from RM46.3million in 1995 to RM68.0 million in 1996, an increase of 47% mainly due to growing demand for the Group's products arising from its aggressive marketing strategies and having created a respectable reputation in the industry. Profit after tax also increased significantly in 1996 on the back of the higher turnover.
2. The increase in turnover and profit after tax in 1997 was mainly attributed to aggressive marketing strategies and lower direct cost incurred arising from the economies of scale as well as cost control measures taken by the Group.
3. Turnover increased to RM106.3 million for the 18 months ended 31 December 1998. Compared to the results for the 12 months ended 30 June 1997, average sales per month has declined. This decline was mainly due to lower sales experienced by the Nirvana Memorial Park, Kajang under adverse economic conditions. However, the decline in sales of burial lots and urn compartments at the Nirvana Memorial Park, Kajang was mitigated by the commencement of operations by NIRS and RD, which together contributed about 19% to the Group's turnover for the 18 months.  
  
Profit after tax increased in 1998 mainly due to reduction in operating expenses as a result of the cost control measures taken by the Group in response to the downturn in economy.
4. The Group recorded a higher turnover for 1999 compared to the annualised results of 1998 mainly due to increase in sales achieved in line with the recovery of the Malaysian economy.
5. The exceptional item for the eighteen (18) months ended 31 December 1998 relates to expenses incurred in respect of a listing proposal written off.
6. The extraordinary items for the years/period under review are set out below:-

	<Financial year ended 30 June>			18 months	Financial
	1995	1996	1997	ended 31	year ended
	RM'000	RM'000	RM'000	December	31 December
				1998	1999
				RM'000	RM'000
Gain on disposal of quoted investments	102	351	267	-	-
Gain on disposal of a subsidiary	-	-	208	-	-
Gain on disposal of an associated company	40	-	-	-	-
Gain on disposal of condominiums	-	43	214	-	-
Expenses in respect of proposed listing	-	(276)	(176)	-	-
Provision for diminution in quoted investments	-	-	(649)	-	-
	142	118	(136)	-	-

## 9. INFORMATION ON THE NVMC GROUP *(Cont'd)*

### 9.6 Subsidiaries and Associated Companies

As at 17 June 2000, the subsidiaries and associated companies of NVMC, all of which were incorporated in Malaysia, are as follows:-

Name	Date of incorporation	Issued and paid-up share capital RM	Effective interest %	Principal activities
<b>Subsidiaries</b>				
AD	25.05.85	168,850	65.00*	Dormant
GJ	10.08.95	300,000	100.00	Property development
HLH	09.11.99	750,000	66.00##	Undertaker and supplier of funeral merchandise
IS	30.09.95	2	100.00	Dormant
IT	27.02.97	2	100.00**	Dormant
IV	16.10.98	2	100.00	Dormant
NIR	25.01.86	210,200	100.00	Development of rest park
NIRD	16.01.91	25,000	100.00	Earthworks, construction and sales of tombs
NIRG	29.12.90	3	100.00**	Maintenance of cemetery, burial lots and urn compartments
NIRJ	24.08.87	2	100.00**	Development of rest park, crematorium, funeral parlour and columbariums (intended activity)
NIRK	14.06.96	100,000	65.00**	Development of rest park
NIRL	29.12.90	2	100.00**	Landscaping and nursery
NIRM	25.07.83	280,000	51.00	Sales of health food products
NIRS	22.11.95	2	100.00**	Development of rest park
NVA	27.04.95	2	100.00	Sales of burial plots, urn compartments and pre-need funeral packages
NVC	27.10.97	100	66.00	Provision of funeral packages
NVCJ	11.08.99	2	66.00+	Provision of funeral packages
NVCS	12.09.98	2	100.00	Provision of privilege card services
PJMC	04.09.93	100,000	66.00+	Undertaker and supplier of funeral merchandise
PS	16.10.95	2	66.00+	Development of a memorial centre (intended activity)
RD	11.08.95	250,000	100.00	Property development
<b>Associated Companies</b>				
MC	17.10.95	100,000	30.00	Trading and processing of granite and marble
PA	23.08.93	100	40.00#	Nursery and supply of turf

\* *Subsidiary of NIRK*

\*\* *Subsidiaries of NIR*

+ *Subsidiaries of NVC*

# *Associated company of NIRL*

## *Subsidiary of NVCJ*

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**


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**9.7 Working Capital, Borrowings, Contingent Liabilities and Capital Commitments**

The Directors of NVMC are of the opinion that, after taking into account the cashflow forecast of the Group, banking facilities available and the net proceeds of the right issue and the Public Issue, the Group will have adequate working capital for its present and foreseeable requirements.

As at 17 June 2000 (being the latest practical date at which such amounts could be calculated prior to the printing of this Prospectus):-

- (i) the total bank borrowings and overdrafts facilities of the Group amounted to RM17,290,000, all of which are secured against buildings and land;
- (ii) Save as disclosed below, the Group has no outstanding material contingent:-

- (a) Legal suit

There is a legal suit lodged against NIR, details of which are set out in Section 17.5 of this Prospectus.

The solicitors are of the view that the plaintiff's claim for damages amounting to RM616,590 is unfounded and in any event completely unfounded.

- (b) Liquidated damages guarantee

A liquidated damages guarantee of RM1,000,000 has been given by NIRJ to a joint venture partner in the event that the development of columbariums for the repository of urns in the joint venture land is aborted.

- (iii) the Group has the following capital commitments:-

	<b>RM'000</b>
Authorised but not contracted for	
(a) Memorial centre	18,509
(b) Urn repository columbariums	17,080
(c) Hearse and limousines	8,000
	<u>43,589</u>
Authorised and contracted for	
Acquisition of land in Kulai, Johor	<u>2,700</u>

Save as disclosed above and in the Accountants' Report, the Group does not have any loan capital outstanding, or created but unissued nor any mortgages or charges or any contingent liabilities as at that date.

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## 9. INFORMATION ON THE NVMC GROUP *(Cont'd)*

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### 9.8 Directors, Senior Management and Employees

#### (i) Board of Directors of NVMC

**Jen. (B) Tan Sri Yaacob bin Mat Zain**, aged 65, was re-appointed as Chairman of NVMC on 28 April 2000. He was previously Chairman of NVMC from 20 June 1995 to 1 May 1998. He has accumulated over 40 years of service in Angkatan Tentera Malaysia before retiring in 1993 as a Panglima Angkatan Tentera Malaysia. He has attended courses at the Australian Army General Command and Staff College, the Naval Post Graduate School in Monterey, United States of America, the Royal College of Defence Studies in United Kingdom and Advance Management Programme in Harvard Business School. He is also the chairman and director of Perwira Affin Merchant Bank Berhad since 28 October 1993, Juta Jaya Berhad since 16 July 1997, Sharikat Permodalan Kebangsaan Berhad since 3 December 1997, Capital Insurance Berhad since 11 November 1997, SPK-Sentosa Corporation Berhad since 12 November 1997 as well as Board Member of Rating Agency Malaysia Berhad since 23 July 1994 and the deputy chairman of Mah Sing Group Berhad since 29 June 1994.

**Dato' Dr Kong Hon Kong**, aged 46, is the founder of the Group and also the Group Managing Director. He was conferred a Doctorate Degree of Philosophy (Honoris Causa) in Business Administration by the University of Honolulu on 21 September 1999. He formed a company called Lien Hing Enterprises Sdn. Bhd., a wholesale trading company before forming the Group in 1990. He is the driving force behind the Group's development, growth and expansion. His business acumen, foresight and courage has made the Group one of the most successful in the bereavement care industry in Malaysia.

He is presently the Honorary Advisor to The Federation of Chinese Association Malaysia, Honorary President of The Federation of Chinese Association Malaysia-Scholarship Fund, Malaysia XiaMen University Faculty of Chinese Medical College, Pertubuhan Confucius Chung De and Dramatic Art Society. He is also the Honorary President of Young Malaysian Movement and Rumah Bakti Setia, Sungai Way, Selangor Darul Ehsan, Executive Vice President of the Federation of Table Tennis Associations of Malaysia and is actively involved as a member of Persatuan Usahawan Malaysia.

**Hong Hock Ming**, aged 39, is the Group Executive Director of NVMC. He was appointed to the Board of Directors on 20 June 1995. He is a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants. He also holds a Master Degree in Business Administration (majoring in Finance) from the University of Hull, England. He was the Finance Manager of O'Connor's Engineering & Trading (M) Bhd. for the period from April 1992 to October 1994. Between January 1990 and March 1992, he held financial positions with companies in the Kamunting Corporation Berhad group of companies, a group principally involved in plantation, construction and trading activities. Prior to that, he had over seven (7) years audit experience with several public accounting firms including 6 years with KPMG which he left in December 1989 as a Qualified Audit Senior.

**Chua Chong Kee**, aged 43, is an Executive Director of NVMC. He was appointed to the Board of Directors on 7 April 1995. He graduated from Universiti Sains Malaysia with an Honours Degree in Bachelor of Science (Computer) in 1986. After graduation, he worked as a computer programmer for several organisations, including Diners Club (M) Sdn. Bhd. from 1991 to 1995.

**Khairol Nizam Bin Hamran**, aged 26, was appointed to the Board of Directors on 28 April 2000. He graduated from Universiti Institut Teknologi Mara in 1995 with a Diploma in Town and Regional Planning. He is currently a project executive at Centreline Consult, a sole proprietorship principally involved in project planning, development and property management since 1995.

(ii) **Key Management of NVMC Group**

**Chan Loong Fui**, aged 46, is the General Manager – Funeral Service of NVMC. He is also the director of NVC, IS, HLH, NVA, NIRJ, NVCJ, NIRM and PJMC. He graduated from Rajistan University, India with a Bachelor Degree in Social Science in 1979. He joined Pulinsula Wira Sdn. Bhd. a company principally involved in the manufacturing of expanded polystyrene foam for packaging and insulation as a Factory Manager after graduation before leaving the company for the post of Moulds Manager with Plastic Centre Sdn. Bhd., a company principally involved in the manufacturing of plastic moulded products. He was employed as a Manager of GSW Holding Sdn. Bhd., a company involved in material handling engineering from 1987 to 1989, prior to joining NIRM in November 1995. He was transferred to his current position in January 1999. He is also the Deputy Vice President of the Malaysian Direct Distribution Association since March 2000.

**Yap Onn Nam**, aged 48, is the General Manager - Internal Audit, Human Resource and Administration of NVMC. He graduated from the University of Bradford Management Centre, United Kingdom in 1981 with a Masters degree in Business Administration. He is an accountant by profession, and had trained and qualified in 1980 with then Peat, Marwick, Mitchell & Co., Chartered Accountants in the United Kingdom. He is a member of the Malaysian Institute of Accountants, the Malaysian Association of Certified Public Accountants, the Chartered Institute of Marketing United Kingdom and the Malaysian Institute of Management. Apart from being a Certified Internal Auditor awarded by the Institute of Internal Auditors Inc. United States of America, he is also a holder of the Post-graduate Diploma in Marketing. He joined the Group in July 1999 as Senior Personal Assistant to the Group Managing Director and assumed the position of Group Chief Operating Officer- Memorial Parks (Marketing and Operations) in October 1999 before he was transferred to the current position in June 2000. His last held position before joining the Group in July 1999 was Group General Manager of CNI Corporation Sdn. Bhd. from 1995 to 1999. Prior to that, he was General Manager, Corporate Services, Company Secretary and Secretary to the Audit Committee of Antah Holdings Berhad where he served from 1991 to 1995. From 1990 to early 1991, he was a Senior Manager in the Banking Operations Division of Standard Chartered Bank Malaysia Berhad. Upon returning to Malaysia from the United Kingdom. in early 1982, he joined Boustead Engineering Sdn. Bhd. as Finance & Administration Manager. In mid-1983, he was promoted to the position of Group Internal Auditor of Boustead Holdings Berhad where he served until the end of 1989.

**Soo Wei Chian**, aged 31, is presently the Deputy General Manager – Finance and Corporate Affairs of NVMC. He is a member of the Malaysian Institute of Accountants and the Chartered Institute of Management Accountants. Prior to joining NVMC, he held financial positions with companies in the Renong group of companies and Berjaya group of companies for the period between 1991 and 1995. He was the Accountant of Crest Petroleum Bhd., an associated company of Renong Berhad before joining NVMC as Finance Manager in September 1995. He was promoted to his present position in May 1999.

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9. INFORMATION ON THE NVMC GROUP (Cont'd)

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**Hoo Lai Chen**, aged 37, is the Deputy General Manager - Property Development of NVMC. He graduated from Tunku Abdul Rahman College with a Diploma in Building Technology in 1987. He started his career in 1987 as a site supervisor with LARC Development Sdn Bhd, a contractor firm, before joining Jasatera Berhad as a site supervisor for the period between 1989 and 1996. He was the Project Manager of Bayu Sedaya Sdn Bhd, a company principally involved in project management consultancy before he assumed his current position in May 2000.

**Chen Huey Juan**, aged 34, is the Group Company Secretary of NVMC. She is an associate of Institute of Chartered Secretaries and Administrators and also a holder of Diploma in Commerce (Business Management) from Tunku Abdul Rahman College. She has accumulated over nine (9) years of experience in secretarial practices. She began her career in August 1990 when she joined MCH Management Services Sdn. Bhd. as a Secretarial Assistant and left in June 1992 to join Ekovest Berhad as an Assistant Company Secretary for the period between September 1992 to June 1993. During the period from July 1993 to April 1996, she was attached to FACB Berhad as an Assistant Company Secretary before she joined NVMC as Company Secretary in May 1996. She was promoted to Human Resource and Administration Manager cum Company Secretary in April 1998 but relinquished the post of Human Resource and Administration Manager in May 2000.

**Tang Tien-Te**, aged 36, is the Deputy General Manager of NIRJ. He is a graduate from Oxford College, Tamsui, Taiwan majoring in International Trade and Business. He joined NIR in June 1999 as a Sales and Training Consultant and was subsequently confirmed in October 1999 as Technical Consultant – After Life Cycle. He was redesignated as Assistant Group Chief Operating Officer – Memorial Parks (Marketing and Operations) on 2 January 2000. Following the Group's expansion plan, he was transferred to his current position on 31 May 2000. He began his career as a Trainer in Wisdom International Cosmetics in Taiwan in 1988 for three years and 15 outlets have been set up during his employment there. In 1991, he joined Goble Group (Taiwan), a company involved in bereavement care industry in Taiwan as a Trainer, Planner, Business Development Manager and Sales Manager. He was responsible for training, business development, product development, system designing, sales, advertising and corporate public relation. Prior to joining NIR, he was with Quickman Development Co. (Taiwan), a management consulting firm, as a Manager from January 1997 to April 1999.

**Wong Nga Yang**, aged 47, is the Branch Managing Director of NIRK. She is also the director of AD and NIRK. She is a graduate of London Chamber of Commerce and Industry Higher Diploma in Book Keeping and Typing. She has over 19 years of experience in wholesale, import and export of garments. She started her own garment business in 1981 by setting up a sole proprietorship called Chung Khiaw Garment Factory in Kuching, Sarawak. Due to expansion, she converted the sole proprietorship into a private limited company in 1996 and changed its name to Chung Kiaw Garments Sdn. Bhd.. Presently, she is also a director and substantial shareholder of Chung Kiaw Garments Sdn. Bhd., a company principally involved in the wholesale, import and export garment and investment holding.

**Kwong Man Heng**, aged 50, is the Branch General Manager of NIRS. He joined the Group on 1 August 1994 as Marketing Executive/Trainer. Prior to joining NIRS, he has accumulated over twelve (12) years of experience in direct selling including members recruitment, training, sales and marketing in Pola Cosmetics (M) Sdn. Bhd., a company principally involved in selling cosmetic products. He has been the Senior Manager of Sales and Training since December 1997 before he was promoted to the current position in January 2000.

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9. INFORMATION ON THE NVMC GROUP (Cont'd)

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**Che Pong Seng @ Che Ang Noon**, aged 56, is the Branch General Manager of NIRK. He joined NIR as a Marketing Manager in 1990. Prior to that, he has accumulated over 16 years sales experience in Poh Kong Trading Sdn Bhd, a company principally involved in retail of chinese medicine. He left the Group in February and joined Perpetual Memorial Park as a Marketing Manager from April 1998 to June 1998. Subsequently, he served in Joran Budaya Sdn. Bhd., a former authorised marketing agent for NVA, as a director before he assumed his current position in November 1999.

**Lim Chee Hing**, aged 37, is the Funeral Director of PJMC. He is also the director of HLH, NVC and NVCJ. He has over 16 years experience in funeral services and is the driving force behind the success of PJMC, one of the most successful privately run funeral service centre in Malaysia. PJMC started of as a family run sole proprietorship known as Modern Casket. In 1995, the business of Modern Casket was transferred to PJMC, a private limited company. He took up the post of Sales Manager in the same year. In 1998, PJMC was disposed of to NVC and he was promoted to his current position in October 1998.

**Chong Kaw Chai**, aged 56, was appointed as the Branch Managing Director of HLH in January 2000. He ventured into bereavement care by setting up Perniagaan Hock Long Heng, a sole proprietorship principally involved in the undertaking and supplier of funeral merchandise in 1989. Perniagaan Hock Long Heng was subsequently converted into a private limited company and was disposed of to NVCJ on 1 January 2000.

**Wong Su Fatt**, aged 39, is the Branch Deputy General Manager of NIRS. Prior to joining the Group, he was involved in restaurant and food trading. He joined NIRS in April 1997 as the Site Executive before he was redesignated as Purchasing and Public Relationship Executive in July 1998. He was promoted to his current position in August 1999.

**Kee Nyan @ Hiew Kee Nyam**, aged 51, is the Senior Manager of NVA. He joined NIR in December 1990 as Site Manager and left the Group in August 1997. He was on his own accord before rejoining the Group in July 1998 as Senior Site Manager. He was seconded to NIRK as Chief Operating Officer during the period from July 1999 to November 1999 following the Group's expansion into Kuching, Sarawak before assuming his current position. Prior to joining NIR, he has accumulated three (3) years experience as Site Supervisor with Thiam Aik Tin Mine Co. and ten (10) years experience in Thian Thin Melon Seed Factory Sdn. Bhd..

**Tan Meng Kooi**, aged 38, is currently the Senior Site Manager of NIR. He was promoted to his present position in July 1999. He joined NIRD as Tombs Manager in August 1991. Prior to joining NIRD, he was attached with Leslie Yap & Co as an audit assistant from 1984 to 1987 and Mapana Sales and Services Sdn. Bhd. as a Sales Executive for a period of three (3) years to 1991.

**Chong Saw Taf**, aged 48, is the Senior Corporate Communication Manager of NVMC. Prior to his current employment, he was attached with Shin Min Daily News for a period of fifteen (15) years since 1980 before joining Sin Chew Jit Poh as a Feature Writer in 1995. He left to join Kawan Advertising Agency, a company involved in advertising of print media for a short stint, before joining NIRM as Advertising/Editorial Manger in October 1995. He was promoted to his present position in July 1997.

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**

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**Wong Yoon Kong**, aged 35, is the Senior Marketing Manager - Customer Services Division of NVA. He holds a Diploma in Commerce (Business Management) from the Tunku Abdul Rahman College and is a graduate of the Institute of Chartered Secretaries and Administrators in 1989. He began his career as an Operations/Administration Executive in Healthy Way Sdn Bhd, a direct selling company, from 1988 to 1991. In 1992, he joined Linguapac Distributors Sdn Bhd as Operations Manager, a distributor of Linguaphone language products for three (3) years before he joined Progress Air-Conditioning Sdn Bhd, a company involved in supply and installation of accessories for four-wheel-drive vehicles from 1994 to 1996. He joined NIRM in 1996 as Marketing Manager and was promoted to his current position in January 2000.

**Chan Moey Cheng**, aged 30, is the Senior Marketing Manager - Marketing Support Division of NVA. She is a graduate of Diploma in Accounting in London of Chamber Commerce and Industry Examinations Board in 1991. She began her career in NIR in 1991 as an Accounts Clerk and was promoted as Assistant Manager of NIRM in 1997. In 1998, she was transferred and promoted as Marketing Manager in NVA before she was promoted to her present position in January 2000.

**(iii) Family Relationship**

None of the Directors and senior management of the NVMC Group are related to each other.

**(iv) Employees**

As at 17 June 2000, the Group employs a total workforce of 324. None of the employees of the Group belongs to any union and they enjoy a good and harmonious relationship with the management.



## 9. INFORMATION ON THE NVMC GROUP (Cont'd)

### 9.9 Description of Properties

The properties of the NVMC Group as at 17 June 2000 are as follows:-

Registered owner	Description	Location	Existing use	Tenure	Approximate age of building years	Land area	Built-up area	Audited net book value as at 31.12.1999 RM	Open market value by independent valuer RM
NIR	4 storey office building with a penthouse	Land known as PT117 & 118, Section 90, Town of Kuala Lumpur, Wilayah Persekutuan held under HS(D) 7462 & 7463 respectively bearing address:-  Nos. 23 & 25, Jalan Jejaka 7, Taman Maluri, Cheras, Kuala Lumpur	Head office	99-year leasehold expiring on 20.09.2075	23	3,968 sq ft	14,773 sq. ft.	2,807,534	3,600,000 (i)
	4 storey office building	Country Lease 215337465 District of Penampang, Sabah bearing address:-  Lot 16, Taman Victory, 4 <sup>th</sup> Mile, Jalan Penampang, Kota Kinabalu, Sabah	Office	99-year leasehold expiring on 01.01.2081	17	1,500 sq ft	8,947 sq. ft.	1,101,390	1,100,000 (ii)
	Apartment	10B-20-2(19G) Putra Court Apartment, Jalan Ipoh Kecil, Kuala Lumpur	Staff quarter	Freehold	6	N/A	1,635 sq. ft.	295,041	376,050 (iii)
	Cemetery Land #	Lot 1264-1266, 1267-1269, 1271, 1357-1359, 497, 1362, 1365, 437, 1366-1367, 323, 1684-1686, 1688, 433, 498, Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Burial lots and urn compartments	Freehold	NA	200.40 acres	NA	1,339,374	NA
	Cemetery Land	Lot 1261, 1263, 1682, 419 (PT 64, 1169, 1680-1681, 1170 & 1171) Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Vacant	Freehold	NA	34.22 acres	NA	3,099,044	NA
	Agriculture Land	Lots 588, 868, 896, 1170, 1171, 1439, Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Vacant	Freehold	NA	213.98 acres	NA	18,787,454	NA
NIRK	Cemetery Land	Land Bau Occupation Ticket No. 1856 of 1928 Senggi Poak Land District Sarawak	Vacant	99 years leasehold expiring on 2027	NA	17.50 acres	NA	1,214,553	NA

## 9. INFORMATION ON THE NVMC GROUP (Cont'd)

Registered owner	Description	Location	Existing use	Tenure	Approximate age of building years	Land area	Built-up area	Audited net book value as at 31.12.1999 RM	Open market value by independent valuer RM
	Cemetery Land	Land Bau Occupation Ticket Lot 431, Block 9, Senggi Poak Land District Sarawak	Vacant	99 years leasehold expiring on 31.12.2040	NA	32.46 acres	NA	1,700,252	NA
	Country Land	113 Block 9 Senggi Poak Land District Sarawak	Gazetted for road improvement	99 years leasehold expiring on 31.12.2040	NA	3.34 acres	NA	227,011	NA
	Country Land	114 Block 9 Senggi Poak Land District Sarawak	Gazetted for road improvement	99 years leasehold expiring on 31.12.2040	NA	1.12 acres	NA	76,117	NA
PS	Industrial Land	HS(D) No. 32717 PT No. 487, Mukim of Petaling, District of Wilayah Persekutuan	Vacant land (for memorial centre)	66 years leasehold expiring on 26.08.2046	NA	35,470 sq. ft.	NA	1,462,756	1,525,000 (iv)
GI	Residential Land	Lot 1176, Mukim of Rawang, District of Gombak and Lot No. 6, Section 3, Town of Kuang, District of Hulu Selangor Darul Ehsan	Vacant land (for housing development)	Freehold	NA	19.70 acres	NA	10,580,969	NA
								42,897,195	

NA Not applicable.

# Lot 1267-1269 and lot 498 are registered in the name of NIRJ. NIRJ holds these properties in trust for NIR.

(i) The valuation of this property was carried out by Yap Burgess Rawson International on 26 November 1999 based on the Comparison Method and Investment Method.

(ii) The valuation of this property was carried out by C.H. Williams, Talhar & Wong (Sabah) Sdn. Bhd. on 21 May 1999 based on the Comparison Method and Investment Method.

(iii) The valuation of this property was carried out by Khong & Jaafar Sdn. Bhd. on 7 July 1999 based on the Comparison Method.

(iv) The valuation of this property was carried out by Khong & Jaafar Sdn. Bhd. on 10 June 1999 based on the Comparison Method.

The land bearing Lot No. PT 117 and 118 being a 4 storey office building with a penthouse, the land bearing Title CL 215337465 being a 4 storey office building, 5 pieces of land located in Ulu Semenyih, District of Ulu Langat, i.e. Lot 1439, 1171, 1170, 896, 868; Lot 1176, District of Gombak and Lot 6, District of Hulu Selangor are currently charged to Multi-Purpose Bank Berhad for banking facilities taken by the Group.

As at the date of this Prospectus, the Group's properties are stated at their historical cost less depreciation. This is consistent with the historical cost convention accounting policy presently adopted by the Group.

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**


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**9.10 Valuers' Letters**

Khong & Jaafar Sdn. Bhd.  
57-1, Jalan Telawi Tiga  
Bangsar Baru  
59100 Kuala Lumpur

24 June 2000

The Board of Directors  
NV Multi Corporation Berhad  
Level 14, Uptown 1  
No. 1, Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**VALUATION OF PROPERTIES BELONGING TO NV MULTI CORPORATION BERHAD ("NVMC")**

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This letter is prepared for inclusion in the Prospectus to be dated 29 June 2000 in relation to the Public Issue of 10,535,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per share.

We were instructed by NVMC to value the properties listed below. We confirm that we have valued the properties based on the Valuation Basis method stated below. The Valuations had been carried out in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission (1995) issued by the Securities Commission, in compliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

In our opinion, we consider the Market Value of the following properties to be as follows:-

<b>Date of Valuation/ Reference No.</b>	<b>Property Location</b>	<b>Description of property/Existing Use</b>	<b>Tenure</b>	<b>Market Value (Valuation Method)</b>
10 June 1999/ MV(WP)347/99	Lot No. PT 487, Mukim of Petaling, District of Kuala Lumpur, Wilayah Persekutuan (A vacant industrial land located along Jalan Sungai Besi, Kuala Lumpur)	Vacant Industrial Land	Leasehold 66 years expiring on 26-08-2046 having an unexpired term of 47 years	RM1,525,000 (Comparison Method)

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**9. INFORMATION ON THE NVMC GROUP (Cont'd)**


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<b>Date of Valuation/ Reference No.</b>	<b>Property Location</b>	<b>Description of property/Existing Use</b>	<b>Tenure</b>	<b>Market Value (Valuation Method)</b>
7 July 1999/ MV(S) 426/99	Apartment Unit No. 10B-20-2 (19G), Type G within the Putra Court Apartment Block standing on Lot Nos. 831, 1504 and 1505, Section 46, City of Kuala Lumpur, Wilayah Persekututan (Apartment No. 10B-20-2 (19G), Putra Court Apartment, Jalan Ipoh Kecil, Kuala Lumpur	A duplex apartment unit used for staff quarters	Freehold	RM376,050 (Comparison Method)

Yours faithfully  
For and on behalf of  
KHONG & JAAFAR SDN. BHD.

Ahmad Latib  
B.Surv. (Hons) MISM  
Registered Valuer No.: V250

**9. INFORMATION ON THE NVMC GROUP (Cont'd)**

CH Williams, Talhar & Wong (Sabah) Sdn. Bhd.  
2<sup>nd</sup> Floor EONCMG Life Building  
1, Jalan Sagunting  
88850 Kota Kinabalu  
Sabah

24 June 2000

The Board of Directors  
NV Multi Corporation Berhad  
Level 14, Uptown 1  
No. 1, Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**VALUATION OF PROPERTIES BELONGING TO NV MULTI CORPORATION BERHAD ("NVMC")**

This letter is prepared for inclusion in the Prospectus to be dated 29 June 2000 in relation to the Public Issue of 10,535,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per share.

We were instructed by NVMC to value the properties listed below. We confirm that we have valued the properties based on the Valuation Basis method stated below. The Valuations had been carried out in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission (1995) issued by the Securities Commission in compliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

In our opinion, we consider the Market Value of the following property to be as follows:-

<b>Date of Valuation/ Reference No.</b>	<b>Property Location</b>	<b>Description of property/ Existing Use</b>	<b>Tenure</b>	<b>Market Value (Valuation Method)</b>
21 May 1999/ WTWS/SC/ET /21/4029	Country Lease 215337465 District of Penampang, Sabah bearing address:-  Lot 16, Taman Victory, 4 <sup>th</sup> Mile, Jalan Penampang, Kota Kinabalu	4-storey office building/Office	99-year leasehold expiring on 1 January 2081	RM1,100,000 (Comparison Method and Investment Method)

Yours faithfully  
For and on behalf of  
CH WILLIAMS, TALHAR & WONG (SABAH) SDN. BHD.

Chong Choon Kim  
B Sc. ARICS FISM  
Registered Valuer (V-088)

**9. INFORMATION ON THE NVMC GROUP (Cont'd)**

Yap Burgess Rawson International  
Suite 13.02, 13<sup>th</sup> Floor,  
Menara Tan & Tan  
Jalan Tun Razak,  
50400 Kuala Lumpur

24 June 2000

The Board of Directors  
NV Multi Corporation Berhad  
Level 14, Uptown 1  
No. 1, Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**VALUATION OF PROPERTY BELONGING TO NV MULTI CORPORATION BERHAD ("NVMC")**

This letter is prepared for inclusion in the Prospectus to be dated 29 June 2000 in relation to the Public Issue of 10,535,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per share.

We were instructed by NVMC to value the property listed below. We confirm that we have valued the property based on the Valuation Basis method stated below. The Valuations had been carried out in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission (1995) issued by the Securities Commission in compliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

In our opinion, we consider the Market Value of the property is as follows:-

<b>Date of Valuation/ Reference No.</b>	<b>Property Location</b>	<b>Description of property</b>	<b>Tenure</b>	<b>Market Value (Valuation Method)</b>
26 November 1999/ YBR/V/5/122/99/SC	PT117&118, Section 90, Town of Kuala Lumpur, Wilayah Persekutuan held under HS(D) 7462 & 7463 respectively bearing address:-  No. 23 & 25, Jalan Jejaka 7, Taman Maluri, Cheras, Kuala Lumpur	Four (4) storey office building with a penthouse	99-year leasehold expiring on 20 September 2075	RM3,600,000 (Comparison Method and Investment Method)

Yours faithfully  
For and on behalf of  
YAP BURGESS RAWSON INTERNATIONAL

Susie SL Tiong  
ARICS, MISM  
Registered Valuer (V-425)  
Manager, Valuation

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES

### 10.1 AD

#### (a) History and Business

AD was incorporated in Malaysia under the Companies Act, 1965 on 25 May 1985. The company has not commenced operations since incorporation.

AD owned a piece of leasehold vacant burial land measuring approximately 32.46 acres in Bau, Sarawak, which is approximately 29 km from Kuching city centre. The said land was disposed of to NIRK on 1 September 1999 for the establishment of Nirvana Memorial Park, Kuching.

As of 17 June 2000, AD does not have any employees.

#### (b) Share Capital

The present authorised share capital of AD is RM200,000 comprising 200,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM168,850 divided into 168,850 ordinary shares of RM1.00 each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration	Total RM
25.05.85	2	Subscribers' shares	2
20.02.86	168,848	Cash	168,850

#### (c) Subsidiaries and Associated Companies

Presently, AD does not have any subsidiary or associated company.

#### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of AD for the past four (4) financial years ended 30 June 1998 and the 18 months ended 31 December 1999:-

	< ----- Financial year ended 30 June ----- >				18 months ended 31 December
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Turnover	-	-	-	-	-
Profit before taxation	-	-	-	-	70
Taxation	-	-	-	-	(69)
Profit after taxation	-	-	-	-	1
No. of shares in issue	168,850	168,850	168,850	168,850	168,850
Net EPS (sen)	-	-	-	-	0.59
Gross dividend rate (%)	-	-	-	-	-

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**


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**Commentary:-**

1. For the financial period ended 31 December 1999, there is no turnover recorded as the company has not commenced operations. Profit before taxation relates to a gain on disposal of the leasehold land held by the company to NIRK.
2. There were no extraordinary items for the years/period under review.

**10.2 GJ****(a) History and Business**

GJ was incorporated in Malaysia under the Companies Act, 1965 on 10 August 1995. The principal activity of GJ is property development.

GJ owns two (2) pieces of freehold land measuring approximately 19.70 acres near Sungai Buloh, Selangor Darul Ehsan. In September 1999, GJ launched Taman Sri Putra, Phase II, which comprises 195 units of double storey link house, 78 units of low cost walk up apartment and 79 units of low medium cost walk up apartment. Construction is expected to be completed by the end of 2001.

As of 17 June 2000, GJ has a total of 6 employees.

**(b) Share Capital**

The present authorised share capital of GJ is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM300,000 divided into 300,000 ordinary shares of RM1.00 each.

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

<b>Date of allotment</b>	<b>No. of ordinary shares of RM1.00 each allotted</b>	<b>Consideration</b>	<b>Total RM</b>
10.08.95	2	Subscribers' shares	2
12.01.96	299,998	Cash	300,000

**(c) Subsidiaries and Associated Companies**

Presently, GJ does not have any subsidiary or associated company.



## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of GJ for the period from the date of incorporation on 10 August 1995 to 30 September 1996, 9 months ended 30 June 1997, 18 months ended 31 December 1998 and financial year ended 31 December 1999 .

	Period from 10 August 1995 to 30 September 1996 RM'000	9 months ended 30 June 1997 RM'000	18 months ended 31 December 1998 RM'000	Financial year ended 31 December 1999 RM'000
Turnover	-	-	-	8,760
(Loss)/Profit before taxation	(2)	(1)	11	817
Taxation	-	(1)	(3)	#
(Loss)/Profit after taxation	(2)	(2)	8	817
No. of shares in issue	300,000	300,000	300,000	300,000
(Loss per share)/Net EPS (sen)	(1.00)*	(0.89)+	1.78+	272
Gross dividend rate (%)	-	-	-	272

\* Calculated based on weighted average number of shares in issue of 200,000

+ Annualised

# Negligible

#### Commentary:-

- The losses incurred in 1996 and 1997 were due to certain general and administration expenses incurred.
- In 1998, GJ invested in short term deposits and earned interest income of RM13,000 for the year. This left the company with an after-tax profit of RM8,000 after minor expenses and taxes.
- The turnover in 1999 represents the progress billings from the Taman Sri Putra, Phase II, which was launched in September 1999. This has resulted in the increase in the profit after tax for that year.
- There were no extraordinary items during the periods/year under review.

### 10.3 HLH

#### (a) History and Business

HLH was incorporated in Malaysia under the Companies Act, 1965 on 9 November 1999 as Modal Abadi Sdn. Bhd.. On 2 February 2000, it changed its name to HLH. HLH is principally involved as an undertaker and supplier of funeral merchandise. It commenced operations in December 1999 after it acquired Perniagaan Hock Long Heng and operates at its present office located at 43, Jalan Perisai, Taman Sri Tebrau, 80050 Johor Bahru, Johor Darul Takzim.

As of 17 June 2000, HLH has a total of 10 employees.

#### (b) Share Capital

The present authorised share capital of HLH is RM1,000,000 comprising of 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up capital is RM750,000 divided into 750,000 ordinary shares of RM1.00 each.

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**


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

<b>Date of allotment</b>	<b>No. of ordinary shares of RM1.00 each allotted</b>	<b>Consideration</b>	<b>Total RM</b>
09.11.99	2	Subscribers' shares	2
20.12.99	749,998	Issued pursuant to the acquisition of Perniagaan Hock Long Heng	750,000

**(c) Subsidiaries and Associated Companies**

Presently, HLH does not have any subsidiary or associated company.

**(d) Profit and Dividend Records**

HLH has not prepared any profit and loss account nor paid any dividends since its incorporation on 9 November 1999.

**10.4 IS**

**(a) History and Business**

IS was incorporated in Malaysia under the Companies Act, 1965 on 30 September 1995. IS has obtained a money lending licence under The Moneylenders Ordinance, 1951 on 1 December 1998 but has not commenced its business operations since its incorporation. Presently, there is no intention by the management to engage in any money lending activities.

The money lending licence is renewable annually and the next renewal is due on 30 June 2001.

As of 17 June 2000, IS does not have any employees.

**(b) Share Capital**

The present authorised share capital of IS is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of IS is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to IS's issued and paid-up share capital since its incorporation.

**(c) Subsidiaries and Associated Companies**

Presently, IS does not have any subsidiary or associated company.

**(d) Profit and Dividend Records**

IS has no profit and dividend record as it has not commenced operation since its incorporation.

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**

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**10.5 IT****(a) History and Business**

IT was incorporated in Malaysia under the Companies Act, 1965 on 27 February 1997. IT has not commenced its business operations since the date of its incorporation.

As of 17 June 2000, IT does not have any employees.

**(b) Share Capital**

The present authorised share capital of IT is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to IT's issued and paid-up share capital since its incorporation.

**(c) Subsidiaries and Associated Companies**

Presently, IT does not have any subsidiary or associated company.

**(d) Profit and Dividend Records**

IT has no profit and dividend record as it has not commenced operation since its incorporation.

**10.6 IV****(a) History and Business**

IV was incorporated in Malaysia under the Companies Act, 1965 on 16 October 1998. IV has not commenced its business operations since the date of its incorporation.

As of 17 June 2000, IV does not have any employees.

**(b) Share Capital**

The present authorised share capital of IV is RM100,000 comprising of 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to IV's issued and paid-up share capital since its incorporation.

**(c) Subsidiaries and Associated Companies**

Presently, IV does not have any subsidiary or associated company.

**(d) Profit and Dividend Records**

IV has no profit and dividend record as it has not commenced operation since its incorporation.

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**


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**10.7 NIR****(a) History and Business**

NIR was incorporated in Malaysia under the name of Unigrow Sdn. Bhd. under the Companies Act, 1965 on 25 January 1986. On 12 December 1986, it changed its name to NIR. The principal activity of NIR is the development of rest park.

NIR is the owner and operator of the Nirvana Memorial Park, Kajang. As at 17 June 2000, NIR owns approximately 334 acres of burial land that have not been sold. Of this total, approximately 68 acres have already been developed and demarcated for burial.

As of 17 June 2000, NIR has a total of 91 employees.

**(b) Share Capital**

The present authorised share capital of NIR is RM250,000 comprising 250,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM210,200 divided into 210,200 ordinary shares of RM1.00 each.

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

<b>Date of allotment</b>	<b>No. of ordinary shares of RM1.00 each allotted</b>	<b>Consideration</b>	<b>Total RM</b>
25.01.86	2	Subscribers' shares	2
06.04.87	98	Cash	100
19.08.87	100	Cash	200
25.04.89	30,000	Cash	30,200
04.04.90	50,000	Cash	80,200
28.07.90	30,000	Cash	110,200
15.10.90	100,000	Cash	210,200

**(c) Subsidiaries and Associated Companies**

The present subsidiaries and associated companies of NIR, all of which are incorporated in Malaysia, are as follows:-

<b>Name</b>	<b>Date of incorporation</b>	<b>Issued and paid-up share capital RM</b>	<b>Effective interest %</b>	<b>Principal activities</b>
<b>Subsidiaries</b>				
NIRK	14.06.96	100,000	65.00	Development of rest park
NIRS	21.11.95	2	100.00	Development of rest park
NIRG	29.12.90	3	100.00	Maintenance of cemetery, burial lots and urn compartments
NIRJ	24.08.87	2	100.00	Development of rest park, crematorium, funeral parlour and columbariums (intended activity)
IT	27.02.97	2	100.00	Dormant
AD	25.05.85	168,850	65.00*	Dormant
NIRL	29.12.90	2	100.00	Landscaping and nursery

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

### Associated Company

PA 23.08.93 100 40.00\*\* Nursery and supply of turf

\* Subsidiary of NIRK

\*\* Associated company of NIRL

### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of NIR for the past three (3) financial years ended 30 June 1997, the 18 months ended 31 December 1998 and the financial year ended 31 December 1999:-

	< -Financial year ended 30 June - >			18 months	Financial
	1995	1996	1997	ended 31	year ended
	RM'000	RM'000	RM'000	December	31 December
				1998	1999
				RM'000	RM'000
Turnover	21,284	30,544	36,577	27,019	21,696
Profit before taxation	10,030	10,750	15,049	14,406	13,187
Taxation	(3,174)	(3,308)	(4,676)	(3,689)	161
Profit after taxation but before extraordinary items	6,856	7,442	10,373	10,717	13,348
Extraordinary items	102	394	40	-	-
Profit after taxation and extraordinary items	6,958	7,836	10,413	10,717	13,348
No. of shares in issue	210,200	210,200	210,200	210,200	210,200
Net EPS (RM)	32.62	35.40	49.35	33.99#	63.50
Gross dividend rate (%)	2,141	2,859	2,718	2,194	6,783

# Annualised

### Commentary:-

1. Turnover in 1996 increased by 44% from RM21.3 million to RM30.5 million after having successfully gained market recognition and a wider share of the market. Profit after taxation did not increase as much due to a decline in gross profit margin, which was attributable to the change in pricing strategy on sales to NIRM as well as higher development expenses incurred.
2. NIR experienced another year of remarkable growth in turnover in 1997. Turnover increased by 20% to approximately RM36.6 million on the back of higher demand for NIR's products and services. Profit after taxation increased significantly in 1997 mainly attributable to NIR embarking on a strategy to control development costs.
3. The lower sales in 1998 of RM27.0 million compared to the previous year of RM36.6 million was the result of lower demand for burial lots and urn compartments under adverse economic conditions. The lower sales however has not affected profit after taxation due to lower material and development cost as NIR sought to control cost by reducing work on infrastructures in and around the Nirvana Memorial Park, Kajang.
4. Turnover in 1999 improved by 20% as compared to the annualised turnover of 1998 in line with the recovery in the Malaysian economy. Profit before taxation for the year increased about 37% compared to the annualised profit before tax of 1998 on the back of the higher turnover.

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

5. The extraordinary items for the years/period under review are set out below:-

	< -Financial year ended 30 June- >			18 months	Financial
	1995	1996	1997	ended 31	year ended 31
	RM'000	RM'000	RM'000	December	December
Gain on disposal of quoted investments	102	351	-	-	-
Gain on disposal of a subsidiary	-	-	40	-	-
Gain on disposal of condominiums	-	43	-	-	-
	102	394	40	-	-

### 10.8 NIRD

#### (a) History and Business

NIRD was incorporated in Malaysia under the Companies Act, 1965 on 16 January 1991. It is principally involved in the earthworks, construction and sales of tombs in Nirvana Memorial Park, Kajang.

As of 17 June 2000, NIRD has a total of 9 employees.

#### (b) Share Capital

The present authorised share capital of NIRD is RM25,000 comprising 25,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM25,000 divided into 25,000 ordinary shares of RM1.00 each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration	Total RM
16.01.91	2	Subscribers' shares	2
17.09.96	24,998	Cash	25,000

#### (c) Subsidiaries and Associated Companies

Presently, NIRD does not have any subsidiary or associated company.

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of NIRD for the past three (3) financial years ended 30 June 1997, the 18 months ended 31 December 1998 and the financial year ended 31 December 1999:-

	< ---Financial year ended 30 June --- >			18 months	Financial
	1995	1996	1997	ended 31	year ended
	RM'000	RM'000	RM'000	December	December
				1998	1999
				RM'000	RM'000
Turnover	17,458	17,231	18,266	26,450	17,320
Profit before taxation	2,013	4,822	5,534	11,777	8,378
Taxation	(627)	(1,479)	(1,822)	(3,052)	18
Profit after taxation	1,386	3,343	3,712	8,725	8,396
No. of shares in issue	2	2	25,000	25,000	25,000
Net EPS (RM'000)	693	1,672	0.20#	0.23+	0.34
Gross dividend rate (%)	-	71,428,571	2,857	9,556	33,604

# Calculated based on weighted average number of shares in issue of 18,750

+ Annualised

#### Commentary:-

1. Turnover for the year ended 1996 decreased slightly and profit after tax improved significantly as compared to 1995 as a result of increase in sales of garden plots which has a higher profit margin. The improvement in after-tax profit was also due to implementation of cost control measures.
2. Turnover and profit after taxation for the financial year ended 30 June 1997 increased slightly at 6% and 11% to RM18.3 million and RM3.7 million respectively as compared to the financial year ended 30 June 1996 in line with the increase in sale of burial lots during the year.
3. Turnover for 1998, when annualised, was lower when compared to the corresponding period in 1997. This was due to lower sales for backwall and walkway in line with the decrease in sale of burial lots in 1998. However, the profit after tax in 1998, when annualised, was higher than 1997 due to the upward revision in selling prices of tombs.
4. There was no significant fluctuation in the turnover for the financial year ended 31 December 1999 as compared to the annualised turnover of 1998. The profit before taxation in 1999 was higher as compared to its corresponding annualised amount in 1998 mainly due to transfer of staff to NIR.
5. There were no extraordinary items during the years/period under review.

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**


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**10.9 NIRG****(a) History and Business**

NIRG was incorporated in Malaysia under the Companies Act, 1965 on 29 December 1990. NIRG commenced its business operations in 1993 when it took over the maintenance of Nirvana Memorial Park, Kajang from NIRL. The company was officially appointed as the maintenance subcontractor by PB Trustee Services Berhad with effect from 1 April 1994 for the maintenance of cemetery burial lots and urns compartments at Nirvana Memorial Park, Kajang.

As of 17 June 2000, NIRG does not have any employees.

**(b) Share Capital**

The present authorised share capital of NIRG is RM25,000 comprising 25,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM3 divided into 3 ordinary shares of RM1.00 each.

There has been no change to NIRG's issued and paid-up share capital since its incorporation.

**(c) Subsidiaries and Associated Companies**

Presently, NIRG does not have any subsidiary or associated company.

**(d) Profit and Dividend Records**

The following table sets out a summary of the audited results of NIRG for the past three (3) financial years ended 30 June 1997, the 18 months ended 31 December 1998 and the financial year ended 31 December 1999:-

	<b>&lt; -Financial year ended 30 June - &gt;</b>			<b>18 months</b>	<b>Financial</b>
	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>ended 31</b>	<b>year ended</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>December</b>	<b>31</b>
				<b>1998</b>	<b>December</b>
				<b>RM'000</b>	<b>1999</b>
					<b>RM'000</b>
Turnover	392	662	1,997	3,642	3,570
Profit before taxation	33	58	199	1,511	1,475
Taxation	(10)	(17)	(60)	(416)	-
Profit after taxation	23	41	139	1,095	1,475
No. of shares in issue	3	3	3	3	3
Net EPS (RM'000)	7.67	13.67	46.33	243.33*	491.67
Gross dividend rate (%)	-	-	-	-	49,168,380

\* *Annualised*



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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**


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**Commentary:-**

1. *NIRG provides maintenance services to Nirvana Memorial Park, Kajang. The increase in turnover and profit after taxation for financial years ended 1995 to 1997 was in tandem with NIR's results for those corresponding financial years.*
2. *The increase in turnover and profit after taxation in 1998 was primarily due to the restoration works at the Nirvana Memorial Park, Kajang.*
3. *Turnover for the year ended 31 December 1999 was higher as compared to the annualised turnover of 1998 in line with the increase in turnover of NIR. This has accordingly resulted in the increase in profit before tax.*
4. *There were no extraordinary items during the years/period under review.*

**10.10 NIRJ****(a) History and Business**

NIRJ was incorporated in Malaysia under the Companies Act, 1965 on 24 August 1987. On 19 November 1997, it changed its name from Ide Bakti Sdn. Bhd. to Nir-Warna (Johor) Sdn. Bhd.. NIRJ has not commenced its business operations since its incorporation. Its intended principal activity is the development of rest park, crematorium, funeral parlour and columbariums.

In 1997, NIRJ has entered into a joint venture with A-Class Realty Sdn. Bhd. ("AC") for the proposed development of urn repository, columbariums, crematorium and funeral parlour on a 17.5 acres of land in Mukim of Senai/Kulai, District of Kulai, Johor Bahru owned by the latter. AC will receive 11% of the total net sales generated from future sale of the completed projects in the aforesaid joint venture land.

Subsequently, on 14 March 2000, NIRJ entered into an agreement to acquire four (4) pieces of adjacent freehold land measuring 31.25 acres which is approximately 40 km from Johor Bahru for the proposed development of a rest park. This acquisition is pending full payment of the consideration before land titles are presented for transfer. The development of rest park, crematorium, funeral parlour and columbariums are still at preliminary planning stage. When completed, the columbariums will comprise one block of 2-storey Buddhist columbariums and one block of 2-storey Christian columbariums and will be able to house approximately 32,000 urns.

As of 17 June 2000, NIRJ does not have any employees.

**(b) Share Capital**

The present authorised share capital of NIRJ is RM25,000 comprising 25,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to NIRJ's issued and paid up share capital since its incorporation.

**(c) Subsidiaries and Associated Companies**

Presently, NIRJ does not have any subsidiary or associated company.

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**


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**(d) Profit and Dividend Records**

NIRJ has no profit and dividend record as it has not commenced operation since its incorporation.

**10.11 NIRK****(a) History and Business**

NIRK was incorporated in Malaysia under the Companies Act, 1965 on 14 June 1996 as Mahogany Heights Sdn. Bhd.. On 6 January 1998, the company changed its name to NIRK. Its principal activity is the development of a rest park known as Nirvana Memorial Park, Kuching in Sarawak.

NIRK currently owns four pieces of leasehold land measuring 54.4 acres out of which 4.46 acres have been gazetted for road improvement, all of which located in Bau, Sarawak, approximately 29 km from Kuching city centre. Out of the 54.4 acres 11 acres have already been developed and demarcated for burial purposes.

As of 17 June 2000, NIRK has a total of 6 employees.

**(b) Share Capital**

The present authorised share capital of NIRK is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100,000 divided into 100,000 ordinary shares of RM1.00 each.

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

<b>Date of allotment</b>	<b>No. of ordinary shares of RM1.00 each allotted</b>	<b>Consideration</b>	<b>Total RM</b>
14.06.96	2	Subscribers' shares	2
15.10.96	98	Cash	100
01.12.99	99,900	Cash	100,000

**(c) Subsidiaries and Associated Companies**

Details of the sole subsidiary of NIRK, are as follows:-.

<b>Name</b>	<b>Date of incorporation</b>	<b>Issued and paid-up share capital RM</b>	<b>Effective interest %</b>	<b>Principal activities</b>
AD	25.05.85	168,850	100.00	Dormant

Presently, NIRK does not have any associated company.

(d) Profit and Dividend Records

The following table sets out a summary of the audited consolidated results of NIRK and its wholly owned subsidiary, AD ("NIRK Group") for the 18 months ended 31 December 1998 and financial year ended 31 December 1999 and the audited results of NIRK for the period from 14 June 1996 (date of incorporation) to 30 June 1997, 18 months ended 31 December 1998 and financial year ended 31 December 1999:-

**NIRK Group**

	18 months ended 31 December 1998 RM'000	Financial year ended 31 December 1999 RM'000
Turnover	-	988
Profit before taxation	-	398
Taxation	-	(69)
Profit after taxation	-	329
No. of shares in issue	100	100,000
Net EPS (RM)	-	39.05*

\* Based on weighted average number of shares in issue of 8,425

**NIRK**

	Period from 14 June 1996 (date of incorporation) to 30 June 1997 RM'000	18 months ended 31 December 1998 RM'000	Financial year ended 31 December 1999 RM'000
Turnover	-	-	988
Profit before taxation	-	-	422
Taxation	-	-	-
Profit after taxation	-	-	422
No. of shares in issue	100	100	100,000
Net EPS (RM)	-	-	50.09*
Gross dividend rate (%)	-	-	329

\* Based on weighted average number of shares of in issue 8,425

**Commentary:-**

1. The company commenced operations in October 1999 and sales revenue for the 3 months operation was approximately RM988,000 and profit before taxation was approximately RM398,000 at the NIRK Group level and RM422,000 at NIRK company level.
2. There were no extraordinary items during the periods/year under review.

**10.12 NIRL**

(a) History and Business

NIRL was incorporated in Malaysia under the Companies Act, 1965 on 29 December 1990. NIRL was incorporated to undertake the landscaping and maintenance of Nirvana Memorial Park, Kajang when it commenced its operation in 1991. In 1993, NIRL relinquished its landscaping activities to subcontractors and maintenance activities to NIRG following the appointment of NIRG as the maintenance subcontractor by the trustee of the Nirvana Memorial Park, Kajang. However, NIRL resumed its landscaping activities in December 1997 as the Group decided to implement cost control measures by undertaking the landscaping works in-house.

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

As of 17 June 2000, NIRL has a total of 6 employees.

### (b) Share Capital

The present authorised share capital of NIRL is RM25,000 comprising 25,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to NIRL's issued and paid-up share capital since its incorporation.

### (c) Subsidiaries and Associated Companies

Details of the associated company of NIRL are as follows:-

Name	Date of incorporation	Issued and paid-up share capital	Effective interest %	Principal activities
PA	23.08.93	100	40.00	Nursery and supply of turf

Presently, NIRL does not have any subsidiary.

### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of NIRL for the past three (3) financial years ended 30 June 1997, the 18 months ended 31 December 1998 and the financial year ended 31 December 1999:-

	Financial year ended 30 <-----June----->			18 months ended 31 December 1998	Financial year ended 31 December 1999
	1995 RM'000	1996 RM'000	1997 RM'000	RM'000	RM'000
Turnover	-	-	-	1,289	1,425
(Loss)/Profit before taxation	(4)	(2)	(1)	912	370
Taxation	2	-	(1)	(260)	8
(Loss)/Profit after taxation but before extraordinary item	(2)	(2)	(2)	652	378
Extraordinary item	40	-	-	-	-
(Loss)/Profit after taxation and extraordinary item	38	(2)	(2)	652	378
No. of shares in issue	2	2	2	2	2
(Loss per share)/Net EPS (RM'000)	(1.00)	(1.00)	(1.00)	217.33+	189.00
Gross dividend rate (%)	-	-	-	-	19,113,889

+ *Annualised*

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**

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**Commentary:-**

1. *NIRL relinquished its maintenance activities to NIRG in 1993 following the appointment of NIRG as the maintenance subcontractor by PB Trustee Services Berhad. NIRL has been dormant since. Losses incurred for 1995 to 1997 were due to general and administrative expenses.*
2. *NIRL resumed its landscaping activities in December 1997 and recorded turnover of RM1.3 million for the financial period ended 31 December 1998.*
3. *Turnover for 1999 is higher compared to 1998 in line with the higher sales achieved by NIR. However, the profit before taxation for 1999 was lower when compared to 1998 mainly due to rework of tombs bed carried out in 1998. Reworks are carried out in stages at different time period as and when required and contributes significant profit margin. Higher fixed costs incurred in 1999 also contributed to the reduction in profit before taxation.*
4. *An extraordinary gain in 1995 arose as a result of the disposal of the investment in an associated company, Awan Angkasa Sdn. Bhd.*

**10.13 NIRM****(a) History and Business**

NIRM was incorporated in Malaysia under the Companies Act, 1965 on 25 July 1983 under the name of Raya Video Sdn. Bhd.. On 13 May 1987, it changed its name to You One Enterprise Sdn. Bhd.. The name of the company was changed to You One Sdn. Bhd. on 29 June 1987. Subsequently, on 12 February 1990, the company's name was changed to You One Marketing Sdn. Bhd. and on 15 February 1994, the company assumed its present name. Due to a change in marketing strategy, NIRM relinquished its sale of burial lots and urn compartments business to NVA in October 1998 and is now in the business of selling of health food products only.

As of 17 June 2000, NIRM does not have any employees.

**(b) Share Capital**

The present authorised share capital of NIRM is RM280,000 comprising 280,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM280,000 divided into 280,000 ordinary shares of RM1.00 each.

Details of the changes in the issued and paid-up share capital of NIRM since incorporation are as follows:-

<b>Date of allotment</b>	<b>No. of ordinary shares of RM1.00 each allotted</b>	<b>Consideration</b>	<b>Total RM</b>
25.07.83	3	Subscribers' shares	3
22.05.87	34,997	Cash	35,000
01.09.87	55,000	Cash	90,000
20.11.87	30,000	Cash	120,000
11.12.87	20,000	Cash	140,000
11.06.88	60,000	Cash	200,000
13.02.90	20,000	Cash	220,000
02.10.90	20,000	Cash	240,000
31.12.91	40,000	Cash	280,000

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

### (c) Subsidiaries and Associated Companies

Presently, NIRM does not have any subsidiary or associated company.

### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of NIRM for the 18 months ended 30 June 1995, past two (2) financial years ended 30 June 1997 the 18 months ended 31 December 1998 and financial year ended 31 December 1999:-

	18 months ended 30 June 1995 RM'000	Financial year < ---ended 30 June --- > 1996 1997 RM'000 RM,000		18 months ended 31 December 1998 RM'000	Financial year ended 31 December 1999 RM'000
Turnover	33,296	50,141	61,182	45,531	12
Profit before taxation	2,081	3,257	2,705	2,315	68
Taxation	(568)	(1,045)	(866)	(573)	26
Profit after taxation	1,513	2,212	1,839	1,742	94
No. of shares in issue	280,000	280,000	280,000	280,000	280,000
Net EPS (RM)	3.60*	7.90	6.57	4.15*	0.34
Gross dividend rate (%)	-	200	-	-	47

\* Annualised

#### Commentary:-

1. NIRM, a direct sales agent licensed by the Ministry of Domestic Trade and Consumer Affairs, introduced multi-level marketing for the selling of burial plots and urn compartments in 1995 and as a result, it recorded a turnover of RM33.3 million and profit after taxation of RM1.5 million for the period ended 30 June 1995.
2. Turnover in 1996 and 1997 continued in an upward trend mainly attributable to the continuous aggressive advertising and promotion strategies. The decrease in profit after taxation in 1997 was primarily due to higher amount of direct sales expenses such as commission and sales incentives given to sales agents.
3. NIRM relinquished the sales of burial plots and urn compartments in October 1998 following a change in the Group's sales and marketing strategy from direct selling/multilevel marketing to that of district agencies through NVA. As a result, sales for the last 3 months in 1998 comprised only the sales of health food products. This coupled with lower demand for burial lots and urn compartments under adverse economic conditions in 1998 resulted in the lower turnover and profit after taxation for NIRM in 1998.
4. Turnover in 1999 decreased tremendously following the cessation in sale of burial plots and urns compartments. The profit before taxation arose from provision for multi-level marketing expenses written back in 1999.
5. There were no extraordinary items during the years/periods under review.

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**


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**10.14 NIRS****(a) History and Business**

NIRS was incorporated in Malaysia under the Companies Act, 1965 on 22 November 1995 as Bayu Layangan Sdn. Bhd.. On 3 May 1997, it changed its name to Nir-Warna (Kota Kinabalu) Sdn. Bhd. before assuming its present name on 2 May 1998.

NIRS is jointly developing with the landowners, 5 pieces of cemetery land measuring approximately 136 acres located in Tuaran, Sabah which is approximately 30 km from Kota Kinabalu city centre as a memorial park similar to Nirvana Memorial Park, Kajang to cater for the bereavement care market in Kota Kinabalu. Conversion of land for burial purpose has been approved by the Land and Survey Department on 20 May 1998.

As at 17 June 2000, approximately 129 acres of the burial land have not been sold. Of this total, approximately 13 acres have already been developed and demarcated for burial purposes.

As of 17 June 2000, NIRS has a total of 21 employees.

**(b) Share Capital**

The present authorised share capital of NIRS is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to NIRS's issued and paid-up share capital since its incorporation.

**(c) Subsidiaries and Associated Companies**

Presently, NIRS does not have any subsidiary or associated company.

**(d) Profit and Dividend Records**

The following table sets out a summary of the audited results of NIRS for the period from 22 November 1995 (date of incorporation) to 31 December 1996, the 18 months ended 30 June 1998 and the 18 months ended 31 December 1999:-

	<b>Period from 22 November 1995 to 31 December 1996 RM'000</b>	<b>18 months ended 30 June 1998 RM'000</b>	<b>18 months ended 31 December 1999 RM'000</b>
Turnover	-	2,028	7,344
(Loss)/Profit before taxation	-	(88)	1,352
Taxation	-	-	(82)
(Loss)/Profit after taxation	-	(88)	1,270
No. of shares in issue	2	2	2
(Loss per share)/Net EPS (RM'000)	-	(29.33)*	423.33*
Gross dividend rate (%)	-	-	37,000,000

\* *Annualised*

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**

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*Commentary:*

1. *NIRS commenced its operation in December 1997 and the sales revenue for the 7 months operation was RM2.0 million. The company made losses during this period as it incurred high initial set up cost.*
2. *For the 18 months ended 31 December 1999, turnover increased to RM7.3 million as the company's products became more widely known in Kota Kinabalu. As a result, the company made a profit after taxation of RM1.3 million during the period.*
3. *There were no extraordinary items during the periods under review.*

**10.15 NVA****(a) History and Business**

NVA was incorporated in Malaysia under the Companies Act, 1965 on 27 April 1995 as Hasrat Gersang Sdn. Bhd.. It changed to its present name on 1 October 1998.

NVA is principally involved in the sales of burial plots, urn compartments and pre-need funeral packages. It took over this activity from NIRM when the Group changed its marketing strategy from direct sales/multi-level marketing to that of district agencies on 1 October 1998.

As of 17 June 2000, NVA has a total of 56 employees.

**(b) Share Capital**

The present authorised share capital of NVA is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to NVA's issued and paid-up share capital since its incorporation.

**(c) Subsidiaries and Associated Companies**

Presently, NVA does not have any subsidiary or associated company.



(d) Profit and Dividend Records

The following table sets out a summary of the audited results of NVA for the period from 27 April 1995 (date of incorporation) to 30 April 1996, past two (2) financial years ended 30 April 1998, 8 months ended 31 December 1998 and financial year ended 31 December 1999:-

	Period from 27 April 1995 (date of incorporation) to 30 April 1996 RM'000			< -Financial year - > ended 30 April 1997 1998 RM'000 RM'000		8 months ended 31 December 1998 RM'000	Financial year ended 31 December 1999 RM'000
	Turnover	-	-	-	-	-	6,494
Profit before taxation	-	-	-	-	-	774	285
Taxation	-	-	-	-	-	(220)	-
Profit after taxation	-	-	-	-	-	554	285
No. of shares in issue	2	2	2	2	2	2	2
Net EPS (RM'000)	-	-	-	-	-	415.50*	142.50
Gross dividend rate (%)	-	-	-	-	-	-	18,227,778

\* Annualised

**Commentary:-**

1. NVA commenced its business operations in October 1998. Turnover and profit after taxation for the 3 month period were RM6.5 million and RM0.5 million respectively. The sales were lower compared to NIRM due to its early implementation stage.
2. Turnover for the year ended 1999 was higher as compared to the annualised turnover of 1998. This was mainly due to the launching of a new product - Funeral Service Package Exclusive Rights, commencement of operations by NIRK and recovery of the Malaysian economy. However, profit after taxation was lower due to high overheads.
3. There were no extraordinary items during the years/periods under review.

10.16 NVC

(a) History and Business

NVC was incorporated in Malaysia under the Companies Act, 1965 on 27 October 1997 as Zamoden Sdn. Bhd.. It changed to its present name on 28 August 1998. NVC is principally involved in the sales of funeral packages and commenced its business operations in June 1999.

As of 17 June 2000, NVC has a total of 32 employees.

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

### (b) Share Capital

The present authorised share capital of NVC is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100 divided into 100 ordinary shares of RM1.00 each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration	Total RM
27.10.97	2	Subscribers' shares	2
23.01.99	98	Cash	100

### (c) Subsidiaries and Associated Companies

Details of the subsidiaries of NVC are as follows:-

Name	Date of incorporation	Issued and paid-up share capital RM	Effective interest %	Principal activities
NVCJ	11.08.99	2	100.00	Provision of funeral packages
PJMC	04.09.93	100,000	100.00	Undertaker and supplier of funeral merchandise
PS	16.10.95	2	100.00	Development of a memorial centre (intended activity)
HLH	09.11.99	750,000	100.00*	Undertaker and supplier of funeral merchandise

\* *Subsidiary of NVCJ*

Presently, NVC does not have any associated company.

### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of the NVC and its subsidiaries ("NVC Group") and of NVC for the period from 27 October 1997 (date of incorporation) to 31 December 1998 and financial year ended 31 December 1999:-

	Period from 27 October 1997 to 31 December 1998 RM	Year ended 31 December 1999 RM'000
<b>NVC Group</b>		
Turnover	-	12,185
Profit before taxation	-	2,048
Taxation	-	(334)
Profit after taxation	-	1,714
No. of shares in issue	2	100
Net EPS (RM000)	N/A	18.63*

\* *Based on weighted average number of shares in issue of 92*

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**


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NVC	Period from 27 October 1997 to 31 December 1998 RM	Year ended 31 December 1999 RM'000
Turnover	-	4,188
Profit before taxation	-	1,967
Taxation	-	(150)
Profit after taxation	-	1,817
No. of shares in issue	2	100
Net EPS (RM'000)	N/A	19.75*
Gross dividend rate (%)	-	1,750,167

\* Based on weighted average number of shares in issue of 92

**Commentary:-**

1. *Turnover for the NVC Group and NVC were RM12.19 million and RM4.19 million respectively for the financial year ended 31 December 1999. NVC commenced operations in June 1999 and recorded profit after taxation of RM1.82 million. Profit after taxation of NVC was higher than the NVC Group despite recording a lower turnover was mainly due to the amortisation of goodwill on consolidation for the financial year ended 31 December 1999.*
2. *There were no extraordinary items during the period/year under review.*

**10.17 NVCJ**

**(a) History and Business**

NVCJ was incorporated in Malaysia under the Companies Act, 1965 on 11 August 1999 as Hitower Realty Sdn. Bhd.. On 3 December 1999, it changed its name to NVCJ. NVCJ commenced operations in May 2000. Its principal activity is the provision of funeral packages.

As of 17 June 2000, NVCJ has a total of 5 employees.

**(b) Share Capital**

The present authorised share capital of NVCJ is RM100,000 comprising of 100,000 ordinary shares of RM1.00 each. The issued and paid-up capital is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to NVCJ's issued and paid-up share capital since its incorporation.

**(c) Subsidiaries and Associated Companies**

The sole subsidiary of NVCJ is HLH. Details of HLH has been set out in Section 10.3 above. NVCJ does not have any associated company presently.

**(d) Profit and Dividend Records**

NVCJ has not prepared any profit and loss account nor paid any dividends since its incorporation on 11 August 1999 to 31 December 1999.

10.18 NVCS

(a) History and Business

NVCS was incorporated in Malaysia under the Companies Act, 1965 on 12 September 1998 as Unggul Sentiasa Sdn. Bhd.. It changed to its present name on 12 November 1998.

NVCS has in June 1999 commenced its business of providing privilege card services. The privilege card, NV Card, introduced by NVCS entitles its members, who are purchasers of burial lots and urn compartments at the Nirvana Memorial Park, Kajang, to enjoy discounts at participating outlets. The purpose of the privilege card is to encourage loyalty of purchasers to the Group.

As of 17 June 2000, NVCS has a total of 2 employees.

(b) Share Capital

The present authorised share capital of NVCS is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to NVCS's issued and paid-up share capital since the date of incorporation.

(c) Subsidiaries and Associated Companies

Presently, NVCS does not have any subsidiary or associated company.

(d) Profit and Dividend Records

The following table sets out a summary of the audited results of NVCS for the period from 12 September 1998 (date of incorporation) to 31 December 1999:-

	Period from 12 September 1998 (date of incorporation) to 31 December 1999 RM
Turnover	-
Profit before taxation	496
Taxation	-
Profit after taxation	496
No. of shares in issue	2
Net EPS (RM)	192*
Gross dividend rate (%)	-

\* Annualised

**Commentary:-**

- The profit after taxation consists of other income received for administrative work carried out on behalf of related companies net of administrative and general expenses.
- There were no extraordinary items during the period under review.

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

### 10.19 PJMC

#### (a) History and Business

PJMC was incorporated in Malaysia under the Companies Act, 1965 on 4 September 1993. PJMC is principally involved as an undertaker and supplier of funeral merchandise. It started its operation in 1995 at its present office located in Petaling Jaya, Selangor.

As of 17 June 2000, PJMC has a total of 31 employees.

#### (b) Share Capital

The present authorised share capital of PJMC is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid-up capital is RM100,000 divided into 100,000 shares of RM1.00 each.

The changes in the issued and paid-up share capital of PJMC since incorporation are as follow:-

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration	Total RM
04.09.93	3	Subscribers' shares	3
28.08.96	59,997	Cash	60,000
11.09.99	40,000	Cash	100,000

#### (c) Subsidiaries and Associated Companies

Presently, PJMC does not have any subsidiary or associated company.

#### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of PJMC for the past four (4) financial years ended 30 September 1998 and the 15 months ended 31 December 1999:-

	< ----- Financial year ended 30 September ----- >				15 months ended
	1995	1996	1997	1998	31 December 1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	1,618	1,885	2,688	3,269	8,876
Profit before taxation	245	215	330	385	1,834
Taxation	(73)	(70)	(114)	(132)	(334)
Profit after taxation	172	145	216	253	1,500
No. of shares in issue	3	60,000	60,000	60,000	100,000
Net EPS (RM)	57,333.33	28.98 <sup>#</sup>	3.60	4.22	16.74*
Gross dividend rate (%)	-	-	-	-	1,650

<sup>#</sup> Based on weighted average number of shares in issue of 5,003

\* Based on weighted average number of shares in issue 71,667 and annualised

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**10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)**


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**Commentary:-**

1. *The company commenced operations in 1995 and achieved sales revenue of RM1.6 million and after-tax profit of RM172,000.*
2. *In 1996, turnover increased to RM1.9 million, an increase of 17% over the previous year. The better performance was attributable to wider recognition of the company's services. The after-tax profit however dropped by 16% to RM145,000 due to higher expenses incurred for the year.*
3. *Turnover for 1997 increased significantly by 43% to RM2.7 million on the back of growing demand for the company's services. The company consequently ended the year with RM216,000 after-tax profit, 49% higher as compared to previous year.*
4. *In 1998, having established itself, the company's turnover grew to approximately RM3.3 million and the after-tax profits increased steadily to RM253,000, an increase of 17% over that of 1997.*
5. *Annualised turnover of the company for 1999 recorded a significant growth of more than 100%, a synergical effect of combining PJMC with the NVMC Group. This synergy effect resulted in the higher profit after tax achieved by the company.*
6. *There were no extraordinary items during the years/periods under review.*

**10.20 PS****(a) History and Business**

PS was incorporated in Malaysia under the Companies Act, 1965 on 16 October 1995. PS has not commenced its business operations since the date of its incorporation. The intended principal activity of PS is development of a memorial centre.

On 11 September 1998, PS acquired a piece of leasehold land measuring approximately 35,470 square feet along Jalan Sungai Besi, Kuala Lumpur for the purpose of constructing a memorial centre. Approval for the development order from Dewan Bandaraya Kuala Lumpur was obtained on 15 November 1999 and PS is currently waiting for the building plan approval for the memorial centre.

As of 17 June 2000, PS does not have any employees.

**(b) Share Capital**

The present authorised share capital of PS is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each.

There has been no change to PS's issued and paid-up share capital since its incorporation.

**(c) Subsidiaries and Associated Companies**

Presently, PS does not have any subsidiary or associated company.

**(d) Profit and Dividend Records**

PS has no profit and dividend record as it has not commenced operation since its incorporation.

10.21 RD

(a) History and Business

RD was incorporated in Malaysia under the Companies Act, 1965 on 11 August 1995 to undertake property development. The company commenced its business operation in October 1997 and launched Taman Sri Putra, Phase I in Sungai Buloh, Selangor Darul Ehsan in November 1997. Phase I of the development comprised a total of 222 units, made up of 134 units of double story terrace house and 88 units of medium cost walk up apartment. All units have been sold and delivered to housebuyers in December 1999.

The Company is expected to launch Phase III of the housing development project to be completed by year end by way of joint venture with the landowner, Teh Hang Wah. The landowner will receive 30% of all housing units upon the completion of Phase III. Phase III will consist of 26 units of double storey link house and 18 units of double storey shophouse occupying an area of approximately 5 acres. The estimated sales and development cost of Phase III is approximately RM7 million and RM6 million respectively. The company has obtained the building plan approval from the Majlis Perbandaran Selayang on 17 May 2000. The construction is expected to commence in the second half this year and to be completed by end of 2001.

As of 17 June 2000, RD does not have any employees.

(b) Share Capital

The present authorised share capital of RD is RM250,000 comprising 250,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000 divided into 250,000 ordinary shares of RM1.00 each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration	Total RM
11.08.95	2	Subscribers' shares	2
03.02.97	249,998	Cash	250,000

(c) Subsidiaries and Associated Companies

Presently, RD does not have any subsidiary or associated company.

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of RD for the period from 11 August 1995 (date of incorporation) to 30 June 1996, financial year ended 30 June 1997, 18 months ended 31 December 1998 and the financial year ended 31 December 1999:-

	Period from 11 August 1995 (date of incorporation) to 30 June 1996 RM'000	Financial year ended 30 June 1997 RM'000	18 months ended 31 December 1998 RM'000	Financial year ended 31 December 1999 RM'000
Turnover	-	-	22,155	12,945
Profit before taxation	-	-	2,058	1,408
Taxation	-	-	(575)	-
Profit after taxation	-	-	1,483	1,408
No. of shares in issue	2	250,000	250,000	250,000
Net EPS (RM)	-	-	3.95*	5.63
Gross dividend rate (%)	-	-	-	563

\* Annualised

#### Commentary:-

1. Turnover for the 14 month period since RD launched its housing development project in November 1997 was RM22.2 million with profit after taxation of RM1.5 million.
2. In 1999, the turnover was lower as the construction of the project was near its completion. Correspondingly, the profit before tax was lower for the year.
3. There were no extraordinary items during the periods/year under review.

### 10.22 MC

#### (a) History and Business

MC was incorporated in Malaysia under the Companies Act, 1965 on 17 October 1995. The company is principally engaged in the trading and processing of granite and marble.

As of 17 June 2000, MC has a total of 13 employees.

#### (b) Share Capital

The present authorised share capital of MC is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100,000 divided into 100,000 ordinary shares of RM1.00 each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration	Total RM
17.10.95	3	Subscribers' shares	3
13.11.96	99,997	Cash	100,000



10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

(c) Subsidiaries and Associated Companies

Presently, MC does not have any subsidiary or associated company.

(d) Profit and Dividend Records

The following table sets out a summary of the audited results of MC for the period from 17 October 1995 (date of incorporation) to 31 December 1996 and three (3) financial years ended 31 December 1999:-

	Period from 17 October 1995 (date of incorporation) to 31 December 1996 RM'000	Financial year ended		
		31 December		
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Turnover	122	2,409	2,404	2,083
(Loss)/Profit before taxation	(2)	28	114	98
Taxation	-	-	(31)	(1)
(Loss)/Profit after taxation	(2)	28	83	97
No. of shares in issue	100,000	100,000	100,000	100,000
(Loss per share)/Net EPS (RM)	(0.13)#	0.28	0.83	0.97
Gross dividend rate (%)	-	-	-	-

# Based on weighted average number of shares in issue of 12,503 and annualised

**Commentary:-**

1. The loss incurred in 1996 resulted from start-up expenses.
2. Turnover for the financial year ended 31 December 1997 improved significantly and was in line with the increase in toms sales by NIRD. The company was able to register some profit in 1997 as the operational efficiency level increased after several months of setting up and experimentation. No taxation charge in 1997 as the company has sufficient unabsorbed tax losses and capital allowances.
3. Turnover remained relatively unchanged in 1998. The contribution margin however improved significantly to 10% from 4% in 1997 due to increased operational efficiency and reduced wastage. The after-tax profit consequently increased about 3-fold to RM83,000.
4. The decrease in turnover in 1999 was mainly due to lower volume supplied to NIRD. Profit before taxation decreased in line with the decrease in sales.
5. There were no extraordinary items for the period/years under review.

## 10. INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES (Cont'd)

### 10.23 PA

#### (a) History and Business

PA was incorporated in Malaysia under the Companies Act, 1965 on 23 August 1993. PA is principally involved in nursery and supply of turf, and commenced its business operation in November 1998.

As of 17 June 2000, PA does not have any employees.

#### (b) Share Capital

The present authorised share capital of PA is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100 divided into 100 ordinary shares of RM1.00 each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration	Total RM
23.08.93	2	Subscribers' shares	2
18.04.98	98	Cash	100

#### (c) Subsidiaries and Associated Companies

Presently, PA does not have any subsidiary or associated company.

#### (d) Profit and Dividend Records

The following table sets out a summary of the audited results of PA for the past five (5) financial years ended 31 December 1999.

	<-----Financial years ended 31 December----->				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	-	-	-	80	226
Profit before taxation	-	-	-	59	78
Taxation	-	-	-	(18)	-
Profit after taxation	-	-	-	41	78
No. of shares in issue	2	2	2	100	100
Net EPS (RM)	-	-	-	612*	780
Gross dividend rate (%)	-	-	-	-	-

\* Based on weighted average number of shares of 67

#### Commentary:-

1. Sales for 2 months operation in 1998 was about RM80,000. The company made a profit after tax of approximately RM41,000 from sale of rubber trees cleared from the Nirvana Memorial Park, Kajang.
2. Turnover for the year ended 31 December 1999 was higher due to a full year operation as compared to only 2 months for the previous year. The profit before taxation was consequently higher.
3. There were no extraordinary items for the years under review.

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**11. CONSOLIDATED PROFIT FORECAST AND AUDITORS' LETTER THEREON**


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The Directors of NVMC forecast that, barring unforeseen circumstances, the consolidated profit after taxation and minority interests of NVMC for the financial year ending 31 December 2000 is as follows:-

<b>Year ending 31 December 2000</b>	<b>RM'000</b>
Consolidated profit before taxation	29,968
Taxation	(8,656)
Consolidated profit after taxation but before minority interests	<u>21,312</u>
Minority interests	(1,913)
Consolidated profit after taxation and minority interests	<u>19,399</u>
Net EPS (sen) *	35.75
Net EPS (sen) #	27.71

\* *Based on weighted average number of shares in issue of 54,265,883 NVMC shares*

# *Based on the enlarged issued and fully paid-up share capital of 70,000,000 NVMC shares*

Based on the issue price of RM3.30 per share, the forecast net price-earnings ratio of the NVMC Group will be 9.23 times (based on net EPS of 35.75 sen) and 11.91 times (based on net EPS of 27.71 sen)

The principal bases and assumptions upon which the consolidated profit forecast have been prepared are as follows:-

- (a) There will be no significant changes in the prevailing political conditions in Malaysia and elsewhere that may affect the Malaysian economy which in turn may directly or indirectly affect the activities or performance of the Group and the business of the Group's major suppliers.
- (b) The recovery of the Malaysian economy will continue and this will have a positive impact on the activities and performance of the Group.
- (c) There will be no significant changes in the present legislation or government regulations, rates and bases of duties, levies and taxes which will adversely affect the activities of the Group or the market in which the Group operates.
- (d) There will be no significant changes in the cost of labour and overheads.
- (e) There will be no significant changes in the structure and principal activities of the Group.
- (f) There will be no significant changes in the present management structure, operating and accounting policies adopted by the Group.
- (g) There will be no material acquisitions or disposals of fixed assets or investments other than those that have been budgeted for.
- (h) There will be no significant changes in the selling prices and contract costs for project to be undertaken by the Group.
- (i) Forecast sales volume will be achieved and there will be no significant changes in the margins for the trading activities and collections will be received in accordance to the forecast.

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**11. CONSOLIDATED PROFIT FORECAST AND AUDITORS' LETTER THEREON (Cont'd)**

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- (j) Forecast development and other capital expenditure will not deviate materially from the original plan.
- (k) The implementation of the development project and the expected physical completion date for development-in-progress will not deviate materially from the planned schedule.
- (l) Existing financing facilities will remain available to the Group at the prevailing interest rates.
- (m) The fluctuations of the foreign currencies will have minimal impact on the operations of the Group and the Group's major suppliers as RM has been pegged at RM3.80 against US\$1.00.
- (n) The Company will propose a dividend of 10% less tax for the financial year ending 31 December 2000. Dividend will be paid in the following year.

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**11. CONSOLIDATED PROFIT FORECAST AND AUDITORS' LETTER THEREON (Cont'd)**

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**Auditors' Letter on the Consolidated Profit Forecast**  
(Prepared for inclusion in this Prospectus)

HALS & Associates  
Suite 1602, 16<sup>th</sup> Floor  
Wisma Lim Foo Yong  
86, Jalan Raja Chulan  
50200 Kuala Lumpur

24 June 2000

The Board of Directors  
NV Multi Corporation Berhad  
Level 14, Uptown 1  
No. 1, Jalan SS 21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs

**NV MULTI CORPORATION BERHAD**  
**CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31**  
**DECEMBER 2000**

We have reviewed the accounting policies and calculations for the consolidated profit forecast after taxation and minority interests of NV Multi Corporation Berhad ("NVMC" or the "Company") and its subsidiary companies ("the Group"), for which the Directors are solely responsible, for the financial year ending 31 December 2000 as set out in this Prospectus dated 29 June 2000 in connection with the public issue of 10,535,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per ordinary share payable in full on application and the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors as set out in this Prospectus, and is presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully

HALS & ASSOCIATES  
AF 0755  
Public Accountants (M)

SUBRAMANIAM SANKAR  
No. 925/02/02 (J/PH)  
Partner

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**12. DIVIDEND FORECAST**


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It is the policy of the Directors of NVMC in recommending dividends to allow shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the Group.

Based on the forecast consolidated profit after taxation and minority interests for the financial year ending 31 December 2000 set out in Section 11 of this Prospectus, the Directors of NVMC anticipate that, in the absence of unforeseen circumstances, the Company will be in a position to propose a final dividend of 10 sen per share for the financial year ending 31 December 2000 based on the issued and paid-up share capital of 70,000,000 ordinary shares of RM1.00 each.

The intended appropriation of the forecast consolidated profit after taxation for financial year ending 31 December 2000 will be as follows:-

<b>Year ending 31 December 2000</b>	<b>RM'000</b>
Consolidated profit after taxation	21,312
Less: Minority interests	(1,913)
Consolidated profit after taxation and minority interests	<u>19,399</u>
Less: Proposed dividend of 10% (less tax at 28%)	(5,040)
Retained profits for the year	<u>14,359</u>
Gross dividend per ordinary share (sen)	10.00
Gross dividend yield based on the issue price of RM3.30 per share (%)	3.0
Net dividend cover (times)	3.85

### 13. PROFORMA CONSOLIDATED BALANCE SHEETS AND AUDITORS' LETTER THEREON

The proforma consolidated balance sheets of NVMC as at 31 December 1999 set out below are provided for illustrative purpose only to show the effects of the restructuring scheme in NVMC as set out in Section 9.2 of this Prospectus on the assumption that the transactions were completed on 31 December 1999:-

	Audited consolidated balance sheet as at 31 December 1999 RM'000	Proforma (I) RM'000	Proforma (II) RM'000	Proforma (III) RM'000	Proforma (IV) RM'000
<b>Fixed assets</b>	13,828	13,828	13,828	13,828	13,828
<b>Quoted investments</b>	89	89	89	89	89
<b>Investment in associated companies</b>	255	255	255	255	255
Expenditure carried forward	515	515	515	515	515
Goodwill arising on consolidation	619	619	619	619	619
	15,306	15,306	15,306	15,306	15,306
<b>Current assets</b>					
Development expenditure	10,581	10,581	10,581	10,581	10,581
Development properties	22,004	22,004	22,004	22,004	22,004
Stocks	38,152	38,152	38,152	38,152	38,152
Trade debtors	26,196	26,196	26,196	26,196	26,196
Other debtors	2,896	2,896	2,896	2,896	2,896
Fixed deposits	1,019	1,019	1,019	1,019	1,019
Cash and bank balances	13,699	13,699	13,699	34,620	67,386
	114,547	114,547	114,547	135,468	168,234
<b>Current liabilities</b>					
Trade creditors	22,159	22,159	22,159	22,159	22,159
Other creditors and accruals	14,630	14,630	14,630	14,630	14,630
Amount due to directors	94	94	94	94	94
Hire purchase and lease creditors	1,704	1,704	1,704	1,704	1,704
Bank borrowings	14,033	14,033	14,033	14,033	14,033
Proposed dividend	19,160	19,160	19,160	19,160	19,160
Provision for taxation	2,203	2,203	2,203	2,203	2,203
	73,983	73,983	73,983	73,983	73,983
<b>Net current assets</b>	40,564	40,564	40,564	61,485	94,251
	55,870	55,870	55,870	76,791	109,557
<b>Represented by:-</b>					
Share capital	1,971	1,971	38,544	59,465	70,000
Share premium	-	-	-	-	22,231
Revaluation reserves	-	47,174	10,601	10,601	10,601
Profit and loss account	49,041	1,867	1,867	1,867	1,867
Shareholders' funds	51,012	51,012	51,012	71,933	104,699
Minority interest	3,078	3,078	3,078	3,078	3,078
Term Loan-Secured	1,633	1,633	1,633	1,633	1,633
Deferred taxation	147	147	147	147	147
	55,870	55,870	55,870	76,791	109,557
NTA (RM'000)	49,878	49,878	49,878	70,799	103,565
NTA per share (RM)	25.31	25.31	1.29	1.19	1.48

### 13. PROFORMA CONSOLIDATED BALANCE SHEETS AND AUDITORS' LETTER THEREON (Cont'd)

#### Notes to the Proforma Consolidated Balance Sheets

The proforma consolidated balance sheets of NVMC have been prepared solely to illustrate the proforma effects of the restructuring scheme as set out in Section 9.2 of this Prospectus on the audited consolidated balance sheets of NVMC as at 31 December 1999.

#### 1. Proforma (I)

Proforma (I) incorporates the:-

- (i) Issue of 50 new ordinary shares to MT who then disposed of at no charge to 50 new shareholders; and
- (ii) Revaluation surplus of RM47,174,328 arising from the revaluation of NVMC's cost of investment in subsidiaries to their respective NTA values as at 31 December 1999.

#### Proforma (II)

Proforma (II) incorporates Proforma (I) and the capitalisation of RM36,573,000 from the revaluation reserves as bonus issue of 36,573,000 new ordinary shares of RM1.00 each credited as fully paid-up in NVMC on the basis of approximately 18.55 new ordinary shares for each existing ordinary share held.

#### Proforma (III)

Proforma (III) incorporates Proforma (II) and the rights issue of 20,920,750 new ordinary shares of RM1.00 each at par for cash on the basis of approximately 10.61 new ordinary shares for each existing ordinary share held before the bonus issue.

#### Proforma (IV)

Proforma (IV) incorporates Proforma (III) and the public issue of 10,535,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per share.

Proceeds from the rights issue and public issue, after payment of estimated listing expenses of RM2,000,000, are assumed to be initially retained in cash and bank balances and will be eventually utilised for the purposes as stated in Section 8.3 of this Prospectus.

#### 2. Share capital

	<b>RM'000</b>
Share capital as at 31 December 1999	1,971
Issue of 50 shares to MT	*
Proforma I	1,971
Issued pursuant to bonus issue	36,573
Proforma II	38,544
Issued pursuant to rights issue	20,921
Proforma III	59,465
Issue pursuant to Public Issue	10,535
Proforma IV	70,000
* 50 shares of RM1.00 each	



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**13. PROFORMA CONSOLIDATED BALANCE SHEETS AND AUDITORS' LETTER THEREON**  
*(Cont'd)*


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**3. Share Premium**

	<b>RM'000</b>
As at 31 December 1999	-
Arising from Public Issue	24,231
Estimated listing expenses	(2,000)
Proforma (IV)	<u>22,231</u>

**4. Revaluation Reserves**

	<b>RM'000</b>
As at 31 December 1999	-
Transfer from profit and loss account	47,174
Proforma (I)	<u>47,174</u>
Capitalised as bonus issue	(36,573)
Proforma (II) to (IV)	<u>10,601</u>

**5. Profit and Loss Account**

	<b>RM'000</b>
As at 31 December 1999	49,041
Transfer to revaluation reserves	(47,174)
Proforma (I) to (IV)	<u>1,867</u>

- 6.** The proforma consolidated balance sheets have been prepared on the accounting principles and bases consistent with those normally adopted in the preparation of the audited consolidated accounts of NVMC.

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**13. PROFORMA CONSOLIDATED BALANCE SHEETS AND AUDITORS' LETTER THEREON**  
*(Cont'd)*

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**Auditors' Letter on the Proforma Consolidated Balance Sheets**  
(Prepared for inclusion in this Prospectus)

HALS & Associates  
Suite 1602, 16<sup>th</sup> Floor  
Wisma Lim Foo Yong  
86, Jalan Raja Chulan  
50200 Kuala Lumpur

24 June 2000

The Board of Directors  
NV Multi Corporation Berhad  
Level 14, Uptown 1  
No. 1, Jalan SS 21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs

**NV MULTI CORPORATION BERHAD**  
**PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 1999**

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of NV Multi Corporation Berhad ("NVMC" or the "Company") and its subsidiary companies ("the Group") as at 31 December 1999, together with the notes thereto, for which the Directors are solely responsible, as set out in this Prospectus dated 29 June 2000 in connection with the public issue of 10,535,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per ordinary share payable in full on application and the listing of and quotation for the entire issued and paid-up capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the Proforma Consolidated Balance Sheets, together with the notes and assumptions thereto, have been prepared on the accounting principles and bases consistent with those normally adopted by the Group and are presented in a form suitable for inclusion in this Prospectus.

Yours faithfully

HALS & ASSOCIATES  
AF 0755  
Public Accountants (M)

SUBRAMANIAM SANKAR  
No. 925/02/02 (J/PH)  
Partner

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## 14. ACCOUNTANTS' REPORT

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(Prepared for inclusion in this Prospectus)

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50200 Kuala Lumpur

24 June 2000

The Board of Directors  
NV Multi Corporation Berhad  
Level 14, Uptown 1  
No. 1, Jalan SS 21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs

### 1 INTRODUCTION

The following report has been prepared for inclusion in this Prospectus dated 29 June 2000 in connection with the Public Issue of 10,535,000 new ordinary shares of RM1.00 each in NV Multi Corporation Berhad ("NVMC" or the "Company") at an issue price of RM3.30 per share and the listing of and quotation for its entire enlarged issued and paid-up capital on the Main Board of the Kuala Lumpur Stock Exchange.

### 2 GENERAL INFORMATION

#### 2.1 Background And Principal Activities

NVMC was incorporated in Malaysia under the Companies Act, 1965 on 25 September 1990 under the name of Tavoy Traders Sdn. Bhd.. The Company changed its name to Kumpulan Nir-Warna Sdn. Bhd. on 20 October 1993 and on 9 March 1994, it changed its name to Ide Bakti Development & Construction Sdn. Bhd.. The Company was converted into a public company on 23 September 1995. On 13 October 1995, it changed its name to NV Multi Corporation Bhd.. The Company was reconverted to a private limited company on 12 March 1998 and on 16 July 1999, it was converted back into a public company.

NVMC is principally engaged in investment holding and provision of management services.

**14. ACCOUNTANTS' REPORT (Cont'd)**

Details of subsidiaries and associated companies as at 31 December 1999, all of which are incorporated in Malaysia, are as follows :

<i>Subsidiaries</i>	<i>Principal Activities</i>	<i>Effective equity interest 31.12.1999 %</i>
<i>Nir-Warna Sdn. Bhd.</i>	<i>Development of rest park</i>	<i>100</i>
<i>Nir-Warna Development Sdn. Bhd.</i>	<i>Earthworks, construction and sales of tombs</i>	<i>100</i>
<i>Nir-Warna Marketing Sdn. Bhd.</i>	<i>Sales of health food products</i>	<i>51</i>
<i>Rantau Delima Sdn. Bhd.</i>	<i>Property development</i>	<i>100</i>
<i>Genting Jelas Sdn. Bhd.</i>	<i>Property development</i>	<i>100</i>
<i>Ideal Version Sdn. Bhd.</i>	<i>Dormant</i>	<i>100</i>
<i>Istawa Sdn. Bhd.</i>	<i>Dormant</i>	<i>100</i>
<i>NV Alliance Sdn. Bhd.</i>	<i>Sales of burial plots, urn compartments and pre-need funeral packages</i>	<i>100</i>
<i>NV Card Services Sdn. Bhd.</i>	<i>Provision of privilege card services</i>	<i>100</i>
<i>NV Care Sdn. Bhd.</i>	<i>Provision of funeral packages</i>	<i>66</i>
<b><i>Subsidiaries of Nir-Warna Sdn. Bhd.</i></b>	<b><i>Principal Activities</i></b>	<b><i>Effective equity interest 31.12.1999 %</i></b>
<i>Nir-Warna Management Sdn. Bhd.</i>	<i>Maintenance of cemetery, burial lots and urn compartments</i>	<i>100</i>
<i>Nir-Warna Landscape Sdn. Bhd.</i>	<i>Landscaping and nursery</i>	<i>100</i>
<i>Nir-Warna (Johor) Sdn. Bhd.</i>	<i>Development of rest park, crematorium, funeral parlour and columbariums (intended activity)</i>	<i>100</i>
<i>Nir-Warna (Sabah) Sdn. Bhd.</i>	<i>Development of rest park</i>	<i>100</i>
<i>Imbasan Tenang Sdn. Bhd.</i>	<i>Dormant</i>	<i>100</i>
<i>Nir-Warna (Kuching) Sdn. Bhd.</i>	<i>Development of rest park</i>	<i>65</i>
<b><i>Subsidiary of Nir-Warna (Kuching) Sdn. Bhd.</i></b>	<b><i>Principal Activities</i></b>	<b><i>Effective equity interest 31.12.1999 %</i></b>
<i>Anglosa Development Sdn. Bhd.</i>	<i>Dormant</i>	<i>65</i>
<b><i>Subsidiaries of NV Care Sdn. Bhd.</i></b>	<b><i>Principal Activities</i></b>	<b><i>Effective equity interest 31.12.1999 %</i></b>
<i>Pinang Sepadan Sdn. Bhd.</i>	<i>Development of memorial centre (intended activity)</i>	<i>66</i>
<i>PJ Modern Casket &amp; Funeral Parlour Sdn. Bhd.</i>	<i>Undertaker and supplier of funeral merchandise</i>	<i>66</i>
<i>NV Care (Johor) Sdn. Bhd.</i>	<i>Provision of funeral packages (intended activity)</i>	<i>66</i>

## 14. ACCOUNTANTS' REPORT (Cont'd)

<i>Associated Companies</i>	<i>Principal Activities</i>	<i>Effective equity interest 31.12.1999 %</i>
<i>Minda Cemerlang Sdn. Bhd.</i>	<i>Trading and processing of granite and marble</i>	30
<i>Public Acres Sdn. Bhd.*</i>	<i>Nursery and supply of turf</i>	40
* <i>Associate company of Nir-Warna Landscape Sdn. Bhd.</i>		

### 2.2 Changes In Issued And Paid-Up Capital

The authorised share capital of NVMC is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of NVMC is RM59,465,000 comprising 59,465,000 ordinary shares of RM1.00 each.

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

<b>Date of allotment</b>	<b>Number of ordinary shares of RM1.00 each allotted</b>	<b>Type of issue</b>	<b>Cumulative issued and paid-up share capital RM</b>
25.09.90	2	Subscribers' shares	2
20.09.93	210,198	Cash	210,200
04.12.96	1,051,000	Bonus issue	1,261,200
11.01.99	700,000	Cash	1,961,200
28.06.99	10,000	Cash	1,971,200
19.06.00	50	Cash	1,971,250
19.06.00	36,573,000	Bonus issue	38,544,250
20.06.00	20,920,750	Rights issue	59,465,000

### 3 ACCOUNTS AND AUDITORS

We have been the auditors of NVMC and its subsidiaries except for the associated companies namely Minda Cemerlang Sdn. Bhd. and Public Acres Sdn. Bhd. which are audited by other firms of auditors for the financial years/periods under review.

The accounts of NVMC, its subsidiaries and associated companies which were audited by us and by other firms of auditors were reported on without any qualification for all periods relevant to this report.

### 4 RESTRUCTURING AND FLOTATION SCHEME

In conjunction with the listing of and quotation for the entire issued and paid-up share capital of NVMC on the Main Board of the KLSE, the Company undertook the following restructuring scheme:

- i) The issue of 50 new ordinary shares of RM1.00 each in NVMC at par for cash to MT. Subsequently, on the same day, MT disposed of the abovementioned shares to 50 new shareholders at no charge. The 50 new ordinary shares of RM1.00 each rank pari passu in all respects with the existing ordinary shares of NVMC save for the bonus issue and the rights issue as set out in Sections 4 (iii) and 4 (iv) respectively below.

## 14. ACCOUNTANTS' REPORT (Cont'd)

- ii) A revaluation of the Company's cost of investments in subsidiaries to their respective audited net tangible asset values as at 31 December 1999, and the incorporation of the revaluation surplus of RM47,174,328 in the accounts of NVMC for the financial year ending 31 December 2000.
- iii) A bonus issue of 36,573,000 new ordinary shares of RM1.00 each credited as fully paid-up in NVMC to the shareholders of NVMC on the basis of approximately 18.55 new ordinary shares for each existing ordinary share held by way of capitalising RM36,573,000 from the revaluation surplus arising from the abovementioned revaluation.

The 36,573,000 new ordinary shares of RM1.00 each in NVMC arising from the abovementioned bonus issue rank pari passu in all respects with each other and the existing ordinary shares of NVMC save for the rights issue as set out in Section 4 (iv) below.

- iv) A rights issue of 20,920,750 new ordinary shares of RM1.00 each in NVMC at par to the shareholders of NVMC on the basis of approximately 10.61 new ordinary shares for each ordinary share held before the bonus issue as set out in Section 4 (iii) above.

The 20,920,750 new ordinary shares of RM1.00 each in NVMC arising from the abovementioned rights issue rank pari passu in all respects with each other and the existing ordinary shares of NVMC save for the bonus issue as set out in Section 4 (iii) above.

As an integral part of its listing exercise, the Company proposes to implement a public issue of 10,535,000 new ordinary shares of RM1.00 each in NVMC at an issue price of RM3.30 per new ordinary share payable in full upon application to eligible employees, suppliers, subcontractors and sales agents of the NVMC Group and the Malaysian public.

## 5 SUMMARISED PROFIT AND LOSS ACCOUNTS

The summarised audited results of NVMC and its subsidiaries and associated companies ("NVMC Group" or the "Group") and of the Company for the past three (3) financial years ended 30 June 1997, the 18 months ended 31 December 1998 and the financial year ended 31 December 1999:-

### 5.1 NVMC Group

	< ---Financial year ended 30 June --- >			18 months	Financial
	1995	1996	1997	ended 31	year ended 31
	RM'000	RM'000	RM'000	December	December
				1998	1999
				RM'000	RM'000
Turnover	46,333	68,035	81,452	106,307	99,273
Operating profit before charges for depreciation, interest and taxation	14,540	19,553	22,656	36,485	28,702
Depreciation	(375)	(601)	(718)	(1,512)	(1,577)
Interest	(59)	(113)	(63)	(477)	(972)
Operating profit after depreciation and interest but before taxation	14,106	18,839	21,875	34,496	26,153
Exceptional items	-	-	-	(404)	-
Profit after exceptional items	14,106	18,839	21,875	34,092	26,153
Share of profit in associated companies	-	-	5	55	61
Profit before taxation	14,106	18,839	21,880	34,147	26,214
Taxation	(4,377)	(5,847)	(7,352)	(8,972)	(133)
Profit after taxation	9,729	12,992	14,528	25,175	26,081
Minority interests	(63)	(1,083)	(901)	(854)	(675)
Profit after taxation and minority interests but before extraordinary items	9,666	11,909	13,627	24,321	25,406

**14. ACCOUNTANTS' REPORT (Cont'd)**

	< ---Financial year ended 30 June --- >			18 months	Financial
	1995	1996	1997	ended 31	year ended 31
	RM'000	RM'000	RM'000	December	December
			1998	1999	
			RM'000	RM'000	RM'000
Extraordinary items	142	118	(136)	-	-
Profit after taxation, minority interests and extraordinary items	9,808	12,027	13,491	24,321	25,406
No. of shares in issue ('000)	210	210	1,261	1,261	1,971
Weighted average no. of shares in issue ('000)#	37,834	37,834	37,834	37,834	38,510
Net Earnings Per share ("EPS") (sen)	25.55	31.48	36.02	42.86*	65.97
Gross dividend rate (%)	2,039	3,469	283	555	1,328

# Adjusted for bonus issues

\* Annualised

**Commentary:-**

1. Turnover of the Group increased from RM46.3 million in 1995 to RM68.0 million in 1996, an increase of 47% mainly due to growing demand for the Group's products arising from its aggressive marketing strategies and having created a respectable reputation in the industry. Profit after tax also increased significantly in 1996 on the back of the higher turnover.
2. The increase in turnover and profit after tax in 1997 was mainly attributed to aggressive marketing strategies and lower direct cost incurred arising from the economies of scale as well as cost control measures taken by the Group.
3. Turnover increased to RM106.3 million for the 18 months ended 31 December 1998. Compared to the results for the 12 months ended 30 June 1997, average sales per month has declined. This decline was mainly due to lower sales experienced by the Nirvana Memorial Park, Kajang under adverse economic conditions. However, the decline in sales of burial lots and urn compartments at the Nirvana Memorial Park, Kajang was mitigated by the commencement of operations by NIRS and RD, which together contributed about 19% to the Group's turnover for the 18 months.  
  
Profit after tax increased in 1998 mainly due to reduction in operating expenses as a result of the cost control measures taken by the Group in response to the downturn in economy.
4. The Group recorded a higher turnover for 1999 compared to the annualised results of 1998 mainly due to increase in sales achieved in line with the recovery of the Malaysian economy.
5. The exceptional item for the eighteen (18) months ended 31 December 1998 relates to expenses incurred in respect of a listing proposal written off.
6. The extraordinary items for the years/period under review are set out below:-

	< Financial year ended 30 June >			18 months	Financial
	1995	1996	1997	ended 31	year ended
	RM'000	RM'000	RM'000	December	31 December
			1998	1999	
			RM'000	RM'000	RM'000
Gain on disposal of quoted investments	102	351	267	-	-
Gain on disposal of a subsidiary	-	-	208	-	-
Gain on disposal of an associated company	40	-	-	-	-
Gain on disposal of condominiums	-	43	214	-	-
Expenses in respect of proposed listing	-	(276)	(176)	-	-
Provision for diminution in quoted investments	-	-	(649)	-	-
	142	118	(136)	-	-

**14. ACCOUNTANTS' REPORT (Cont'd)****5.2 NVMC**

	< --Financial year ended 30 June-- >			18 months	Financial
	1995	1996	1997	ended 31	year ended 31
	RM'000	RM'000	RM'000	December	December
	1998	1999			
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	4,500	7,724	6,429	7,180	26,709
Operating profit before charges for depreciation, interest and taxation	4,488	7,678	6,151	7,119	26,346
Depreciation	-	-	-	-	-
Interest	-	-	-	-	-
Operating profit after depreciation and interest but before taxation	4,488	7,678	6,151	7,119	26,346
Exceptional item	-	-	-	(404)	-
Profit before taxation	4,488	7,678	6,151	6,715	26,346
Taxation	(1,350)	(2,314)	(1,855)	(1,960)	(1,070)
Profit after taxation	3,138	5,364	4,296	4,755	25,276
Extraordinary items	478	(276)	(176)	-	-
Profit after taxation and extraordinary items	3,616	5,088	4,120	4,755	25,276
No. of shares in issue ('000)	210	210	1,261	1,261	1,971
Weighted average no. of shares in issue ('000)#	37,834	37,834	37,834	37,834	38,510
Net EPS (sen)	8.29	14.18	11.35	8.38*	65.63
Gross dividend rate (%)	2,039	3,469	283	555	1,328

# Adjusted for bonus issues

\* Annualised

Commentary: -

1. Turnover of the Company from 1995 to 1997 relates to dividends received from its subsidiaries. In 1998 and 1999, the Company has also provided services to NIR and received management fees of RM180,000 and RM240,000 respectively for the period/year. Turnover for 1997 was lower due to less dividends declared by its subsidiaries. Profit after taxation has also reduced accordingly.

The significant increase in both turnover and profit after taxation in 1999 was mainly due to substantial dividends declared by its subsidiaries in respect of the after-tax profit for the financial year ended 31 December 1999.

2. The extraordinary items for the years/period under review are set out below: -

	<-Financial year ended 30 June->			18 months	Financial
	1995	1996	1997	ended 31	year ended 31
	RM'000	RM'000	RM'000	December	December
	1998	1999			
	RM'000	RM'000	RM'000	RM'000	RM'000
Gain on disposal of subsidiaries	478	-	-	-	-
Expenses in respect of proposed listing	-	(276)	(176)	-	-
	478	(276)	(176)	-	-

3. The exceptional item for the eighteen (18) months ended 31 December 1998 relates to expenses incurred in respect of a listing proposal written off.



**14. ACCOUNTANTS' REPORT (Cont'd)****6 DIVIDENDS**

The details of dividends paid or declared by the Company in respect of the five (5) financial years/period under review are as follows:

	<b>Issued and paid-up share capital</b>	<b>Gross dividend rate %</b>	<b>Net dividend RM'000</b>
1995	210,200	2,039	3,000
1996	210,200	3,469	5,104
1997	1,261,200	283	2,500
1998	1,261,200	555	5,040
1999	1,971,200	201	2,852
		1,127*	22,208*

\* tax-exempt dividend

**7 SUMMARISED BALANCE SHEETS**

The summarised balance sheets of the Group and of Company six (6) financial years/periods ended 31 December 1999 based on the audited accounts are as follows:-

**7.1 NVMC Group**

	< -----As at 30 June ----- >				As at 31 December	
	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed assets	3,197	6,256	8,389	6,509	13,713	13,828
Leased assets	48	36	24	-	-	-
Quoted investments	1,375	4,921	2,068	877	140	89
Investment in associated companies	20	-	-	215	181	255
Expenditure carried forward	25	31	40	109	142	515
Goodwill on consolidation	-	-	-	-	160	619
Current assets	10,791	28,384	40,327	67,685	93,786	114,547
Current liabilities	8,960	26,079	29,485	37,006	51,784	73,983
Net current assets	1,831	2,305	10,842	30,679	42,002	40,564
	6,496	13,549	21,363	38,389	56,338	55,870
Represented by :						
Share capital	210	210	210	1,261	1,261	1,971
Profit and loss account	5,812	12,620	19,543	29,483	48,764	49,041
Shareholders' funds	6,022	12,830	19,753	30,744	50,025	51,012
Minority interest	-	719	1,610	2,512	3,280	3,078
Term loan	474	-	-	5,133	3,033	1,633
Deferred taxation	-	-	-	-	-	147
	6,496	13,549	21,363	38,389	56,338	55,870
Net tangible assets ("NTA") (RM'000)	5,997	12,799	19,713	30,635	49,723	49,878
NTA per share (RM)	28.56	60.95	93.87	24.29	39.43	25.31

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**14. ACCOUNTANTS' REPORT (Cont'd)**


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**7.2 NVMC**

	< -----As at 30 June----- >				< As at 31 December >	
	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investment in subsidiaries	250	231	231	2,136	2,136	2,136
Investment in an associated company	-	-	-	210	210	150
Amount due from subsidiary company	-	-	-	-	-	470
Expenditure carried forward	3	3	-	-	-	343
Current assets	#	682	3,885	568	588	20,223
Current liabilities	15	14	3,008	20	51	19,224
Net current assets	(15)	668	877	548	537	999
	238	902	1,108	2,894	2,883	4,098
Represented by :						
Share capital	210	210	210	1,261	1,261	1,971
Profit and loss account	(25)	591	575	1,144	860	1,076
Shareholders' funds	185	801	785	2,405	2,121	3,047
Due to subsidiary companies	53	101	323	489	762	1,051
	238	902	1,108	2,894	2,883	4,098
NTA (RM'000)	182	798	785	2,405	2,121	2,704
NTA per share (RM)	0.87	3.80	3.74	1.91	1.68	1.37

# *Negligible*

*All inter-company balances in the 1994 and 1995 audited accounts have been restated as long term liabilities to conform with the current year's presentation*

**14. ACCOUNTANTS' REPORT (Cont'd)****8 STATEMENT OF ASSETS AND LIABILITIES**

The following is the statement of assets and liabilities as at 31 December 1999 of NVMC Group and Company based on the audited accounts as at 31 December 1999 and should be read in conjunction with the notes thereon.

	Note	Group RM	Company RM
SHARE CAPITAL	b	1,971,200	1,971,200
PROFIT AND LOSS ACCOUNT		49,041,067	1,075,929
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>51,012,267</b>	<b>3,047,129</b>
TERM LOAN - SECURED	c	1,633,410	-
DEFERRED TAXATION	d	147,000	-
AMOUNT DUE TO SUBSIDIARY COMPANIES	f	-	1,051,452
MINORITY INTEREST		3,078,265	-
		<b>55,870,942</b>	<b>4,098,581</b>
Represented by :-			
FIXED ASSETS	e	13,827,984	-
INVESTMENT IN SUBSIDIARY COMPANIES	f	-	2,135,612
INVESTMENT IN ASSOCIATED COMPANIES	g	255,352	150,000
QUOTED INVESTMENTS	h	89,315	-
GOODWILL ARISING ON CONSOLIDATION	i	619,245	-
EXPENDITURE CARRIED FORWARD	j	514,945	343,380
AMOUNT DUE FROM SUBSIDIARY COMPANIES	f	-	470,311
<b>CURRENT ASSETS</b>			
Property development expenditure	k	10,580,969	-
Development expenditure		22,003,512	-
Stocks	l	38,151,814	-
Trade debtors	m	26,196,488	-
Other debtors, deposits and prepayments		2,896,478	645,641
Dividends receivable from subsidiaries		-	19,533,355
Fixed deposits	n	1,019,199	-
Cash and bank balances		13,699,123	44,482
		<b>114,547,583</b>	<b>20,223,478</b>
<b>CURRENT LIABILITIES</b>			
Trade creditors		22,158,869	-
Other creditors and accruals		14,630,319	64,081
Amount due to directors	o	94,492	-
Hire purchase creditors	p	1,508,727	-
Lease creditors	q	195,232	-
Bank borrowings	r	14,032,761	-
Proposed dividends		19,160,119	19,160,119
Provision for taxation		2,202,963	-
		<b>73,983,482</b>	<b>19,224,200</b>
<b>NET CURRENT ASSETS</b>		<b>40,564,101</b>	<b>999,278</b>
		<b>55,870,942</b>	<b>4,098,581</b>

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**14. ACCOUNTANTS' REPORT (Cont'd)**


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**Notes to the Statement of Assets and Liabilities****a. ACCOUNTING POLICIES****(i) Basis of Accounting**

The accounts are prepared under the historical cost convention and comply with applicable approved Accounting Standards.

**(ii) Basis of Consolidation**

The consolidated profit and loss account and balance sheet include the accounts of the Company and its subsidiaries made up to the end of the financial year. The accounts of the subsidiaries acquired during the year are included in the consolidated accounts from the date of their acquisitions. Inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

The difference between the purchase consideration and the fair value of the net assets of subsidiary companies at the date of acquisition is included in the consolidated balance sheet as goodwill arising on consolidation. Goodwill arising on consolidation is amortised over a period ranging from 1 - 10 years.

**(iii) Associated Companies**

The Group treats those companies as associated companies in which a long term equity interest of between 20 and 50 percent is held and where it exercises significant influence through management participation.

The Group's share of profit or loss in associated companies are included in the consolidated profit and loss account and the Group's interest in associated company is stated at cost plus adjustment to reflect changes in Group's share of net assets of associated companies.

**(iv) Depreciation**

Depreciation for building under work-in-progress will commence when the assets are completed and in use.

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the estimated useful lives of the assets concerned. The principal annual rates used are :-

Long term leaseholdland and buildings	80 years
Short term leasehold land	43-49 years
Condominiums	1%
Furniture & fittings	10%
Motor vehicle	10-20%
Office equipment, computer systems & equipment	10-50%
Plant and machinery	20%
Office renovation	20%

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## 14. ACCOUNTANTS' REPORT (Cont'd)

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(v) Valuation of Stock and Work-in-progress

1. Stocks are stated at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged and obsolete stocks.
2. Land stocks held for interment purposes are stated at the cost plus incidental expenses incurred in bringing the land to the present condition.
3. Work-in-progress is stated at cost and consists of all direct construction costs incurred.

(vi) Expenditure Carried Forward

Expenditure carried forward consists of preliminary, pre-operating expenses and listing expenses.

Expenses incurred in connection with the incorporation of the Company and before commencement of business are deferred and carried forward at cost under preliminary and pre-operating expenses respectively. The Directors expect to write off these expenses from future profits.

Listing expenses represents costs incidental to the Company's proposal to list the Company's share capital on the Main Board of the Kuala Lumpur Stock Exchange and is to be written off against the share premium resulting from that exercise.

(vii) Income Recognition

Sales and profits on construction are recognised on the percentage of completion method by reference to physical progress on each contract and after making appropriate provision for uncertainties and estimated losses to complete.

Contract costs include all direct materials and labour costs and those incidental costs related to contract performance. This method is only used at a point where contract revenues and contract costs can be reliably estimated and the costs can be clearly compared with prior estimates. Otherwise revenue is recognised only to the extent of cost incurred that are recoverable.

(viii) Investments

Investment in subsidiaries and other investments are held on long term basis and are stated at cost. Investments are only written down when the Directors are of the opinion that there is a permanent diminution in their value.

(ix) Taxation

Provision for taxation is made based on the amount of tax estimated to be payable on profits adjusted for tax purposes. Provision is made by the liability method for the effects of taxation deferred by capital allowances and other timing differences, except where there is reasonable evidence that the effects of such timing differences are not material and are not expected to reverse in the foreseeable future. Deferred tax benefits are only recognised where there is reasonable expectation of realisation in the near future.

**14. ACCOUNTANTS' REPORT (Cont'd)**

## (x) Property Development Expenditure

Property development expenditure consists of cost of land under development, development expenditure incurred to date including a proportion of estimated profits attributable to development work performed to date, less progress billings.

## (xi) Development Expenditure

Development expenditure represents costs of land held for interment and other direct development cost thereon.

## (xii) Lease Arrangements

Assets under lease which in substance transfer the risk and benefits of ownership of the assets to the Company are capitalised under fixed assets. The fixed assets and the corresponding lease obligations are recorded at the lower of the present value of the minimum lease payments or the fair value of the lease assets at the beginning of the respective lease terms. Leases which do not meet such criteria are classified as operating leases and the related rentals are charged to profit and loss accounts as incurred.

## b. SHARE CAPITAL

	<b>Group and Company RM</b>
Ordinary shares of RM1.00 each	
Authorised	<u>2,000,000</u>
Issue and fully paid:	
Balance at beginning of the year	1,261,200
Issued during the year	<u>710,000</u>
Balance at end of the year	<u>1,971,200</u>

## c. TERM LOAN – SECURED

	<b>Group RM</b>
Payable within next 2 years	2,799,960
Payable after next 2 years but within 5 years	<u>233,430</u>
	3,033,390
Less: Payable within 12 months (Note r)	<u>(1,399,980)</u>
	<u>1,633,410</u>

The term loan bears interest of 2% above a bank's base lending rate per annum and is repayable by 60 monthly instalments commencing on the first day of the month following full drawdown on 5 February 1997.

**14. ACCOUNTANTS' REPORT (Cont'd)**

The term loan granted is to finance the purchase of land and is secured against the following:

- i) First legal charge over subsidiary company's land stock; and
- ii) A joint and several guarantee by the subsidiary's Directors.

**d. DEFERRED TAXATION**

	<b>Group RM</b>
Balance brought forward	-
Transfer from profit and loss account	147,000
Balance carried forward	147,000

The deferred tax liability is in respect of timing differences between depreciation and corresponding capital allowances on fixed assets.

**e. FIXED ASSETS**

	<b>Properties RM</b>	<b>Furniture, equipment &amp; office renovation RM</b>	<b>Motor vehicles RM</b>	<b>Plant &amp; machinery RM</b>	<b>Total RM</b>
<b>Group</b>					
Cost :					
At 1 January	10,228,955	3,994,777	2,515,368	205,745	16,944,845
Addition	411,903	1,269,851	1,858,425	81,956	3,622,135
Disposal	(2,386,192)	(28,218)	(2,600)	-	(2,417,010)
Acquisition of subsidiary	-	224,878	645,324	-	870,202
As at 31 December	8,254,666	5,461,288	5,016,517	287,701	19,020,172
Accumulated Depreciation:					
At 1 January	291,261	1,587,242	1,230,264	122,759	3,231,526
Addition	86,389	832,517	666,321	25,006	1,610,233
Disposal	(69,356)	(5,314)	(2,600)	-	(77,270)
Acquisition of subsidiary	-	89,847	337,852	-	427,699
As at 31 December	308,294	2,504,292	2,231,837	147,765	5,192,188
Net Book Value	7,946,372	2,956,996	2,784,680	139,936	13,827,984

- i) Some of the leasehold land and buildings have been charged to financial institutions for credit facilities granted to subsidiaries.
- ii) The cost of fixed assets acquired under finance leases and hire purchase arrangements amounted to RM3,636,237.
- iii) One of the subsidiaries' leasehold land which was registered in the name of a third party as at year end was subsequently transferred to the subsidiary's name following the settlement of certain conditions of purchase.
- iv) The issuance of strata titles of the condominiums is still pending.

**14. ACCOUNTANTS' REPORT (Cont'd)**

## f. INVESTMENT IN SUBSIDIARIES

	<b>Company RM</b>
Unquoted shares - at cost	<u>2,135,612</u>

The amounts due from/(to) subsidiary companies are unsecured, interest free with no fixed term of repayment.

## g. INVESTMENT IN ASSOCIATED COMPANIES

	<b>Group RM</b>	<b>Company RM</b>
Unquoted shares, at cost	30,040	30,000
Share of post acquisition profit	105,312	-
Amount due from an associated company	120,000	120,000
	<u>255,352</u>	<u>150,000</u>

The amounts due from associated company are unsecured, interest free with no fixed term of repayment.

## h. QUOTED INVESTMENTS

	<b>Group RM</b>
Quoted shares in Malaysia – at cost	1,459,910
Less : Provision for diminution in value	<u>(1,370,595)</u>
	<u>89,315</u>
- at market value	<u>79,826</u>

## i. GOODWILL ARISING ON CONSOLIDATION

	<b>Group RM</b>
Balance at beginning of the year less amount attributable to minority interest of RM86,108	159,915
Amount arising on acquisition of subsidiaries less portion attributable to minority interest of RM279,842	543,224
	<u>703,139</u>
Amortisation during the year less portion attributable to minority interest of RM43,591	<u>(83,894)</u>
Balance at the end of the year	<u>619,245</u>



**14. ACCOUNTANTS' REPORT (Cont'd)**

## j. EXPENDITURE CARRIED FORWARD

	<b>Group RM</b>	<b>Company RM</b>
Preliminary expenses	13,846	-
Pre-operating expenses	157,719	-
Listing expenses	343,380	343,380
	<u>514,945</u>	<u>343,380</u>

Included in pre-operating expenses for the year are:

	<b>Group RM</b>
Audit fee	3,110
Depreciation	31,122
Loan interest	45,221
	<u>79,453</u>

## k. PROPERTY DEVELOPMENT EXPENDITURE

	<b>Group RM</b>
Freehold land – at cost	8,621,623
Development expenditure – at cost	33,728,136
	<u>42,349,759</u>
Proportion of estimated profit accrued on properties sold	7,799,245
	<u>50,149,004</u>
Less: Progress billings	(39,568,035)
	<u>10,580,969</u>

## l. STOCKS

	<b>Group RM</b>
Raw materials	658,565
Work in progress	4,418,779
Finished goods	509,863
Land stocks	32,564,607
	<u>38,151,814</u>

Land stock consist of unsold parcels of land for interment purposes and urn compartments. Included in land stock is interest charge of RM2,651,921.

**14. ACCOUNTANTS' REPORT (Cont'd)**

## m. TRADE DEBTORS

	<b>Group RM</b>
Trade debtors	26,366,246
Provision for doubtful debts	(169,758)
	<u>26,196,488</u>

## n. FIXED DEPOSITS

These consist of fixed deposits with :-

	<b>Group RM</b>
Licensed financial institutions	<u>1,019,199</u>

An amount of RM630,990 has been pledged to licensed banks as security for guarantees and credit facilities granted to a subsidiary company.

## o. AMOUNT DUE TO DIRECTORS

Group

The amount outstanding is unsecured, interest free with no fixed term of repayment.

## p. HIRE PURCHASE CREDITORS

	<b>Group RM</b>
Hire purchase instalments due :	
Within next 12 months	702,144
After next 12 months	1,305,812
	<u>2,007,956</u>
Less : Hire purchase interest in suspense	(499,229)
	<u>1,508,727</u>

## q. LEASE CREDITORS

	<b>Group RM</b>
Instalment due :	
Payable within 1 year	100,728
Payable after 1 year but within 5 years	145,335
	<u>246,063</u>
Less : Interest in suspense	(50,831)
	<u>195,232</u>

**14. ACCOUNTANTS' REPORT (Cont'd)**

## r. BANK BORROWINGS

	<b>Group RM</b>
Bank overdraft	10,544,014
Bridging loan	2,088,767
Term loan :- Portion of long term liability repayable within 12 months (Note c)	1,399,980
	<u>14,032,761</u>

The bank overdraft and bridging loan bear interest at 1.75% - 2.25% above bank's base lending rate per annum and are secured against the following :

- i) First legal charge over subsidiary companies' development land, landed properties and land stock;
- ii) Corporate guarantee given by the Company; and
- ii) A joint and several guarantee by the subsidiaries' Directors.

The bridging loan is repayable over 12 consecutive instalments and the first repayment to commence on 1 July 2001 or by redemption sum whichever is earlier.

## s. CAPITAL COMMITMENT

	<b>Group RM</b>
Authorised but not contracted for	<u>43,589,000</u>

## t. CONTINGENT LIABILITIES

	<b>Group RM</b>	<b>Company RM</b>
Damages claimed by a third party as a result of earthworks carried out and pending court decision	616,590	-
Corporate guarantees given to licensed financial institutions for banking and hire purchase facilities granted to subsidiaries	-	24,815,600
Liquidated damages in respect of non-performance of work	<u>1,000,000</u>	-

The Directors are of the opinion that the damages claimed by a third party as a result of earthworks carried out are without merit.

**14. ACCOUNTANTS' REPORT (Cont'd)****u. SIGNIFICANT EVENT**

- a) The Company has on 6 October 1999, 8 October 1999 and 10 April 2000 obtained the approvals from the Ministry of International Trade and Industry, Foreign Investment Committee and Securities Commission respectively for its proposed restructuring and the listing of and quotation for the enlarged share capital of NVMC on the Main Board of the Kuala Lumpur Stock Exchange.

The proposed restructuring exercise involves the revaluation of the Company's cost of investment in subsidiaries and issuance of bonus shares therefrom, call for a rights issue and initial public offer. Upon completion of the proposed restructuring exercise, the issued share capital of the Company will be increased to RM70 million comprising of 70,000,000 shares of RM1.00 each.

- b) On 14 March 2000, Nir-Warna (Johor) Sdn. Bhd. entered into four (4) Sales and Purchase Agreements to acquire four (4) pieces of land in the Mukim of Senai, Kulai for a total purchase consideration of RM3,375,000. A deposit of RM675,000 has been paid as at 17 June 2000.

**9 PROFORMA NTA COVER**

Based on the statement of assets and liabilities of NVMC Group as at 31 December 1999 and after adjusting for the Public Issue and the estimated listing expenses, the proforma NTA cover per share will be as follows:

	<b>RM'000</b>
NTA of NVMC Group per Statement of Assets and Liabilities as at 31 December 1999	49,878,077
Proceeds from rights issue and Public Issue	55,686,250
	<u>105,564,327</u>
Less: Estimated listing expenses	(2,000,000)
	<u>103,564,327</u>
Proforma NTA	
Number of shares of RM1.00 each of NVMC in issue :	No. of shares
At 31 December 1999	1,971,200
Cash	50
Bonus Issue	36,573,000
Rights Issue	20,920,750
Public Issue	10,535,000
	<u>70,000,000</u>
Proforma NTA cover per share	<u>1.48</u>

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**14. ACCOUNTANTS' REPORT** *(Cont'd)*

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**10 ACCOUNTS**

No audited accounts have been prepared in respect of any period subsequent to 31 December 1999.

Yours faithfully

HALS & ASSOCIATES  
AF0755  
Public Accountants (M)

Subramaniam Sankar  
No. 925/02/02 (J/PH)  
Partner

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## 15. DIRECTORS' REPORT

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(Prepared for inclusion in this Prospectus)

**Registered Office:-**

Level 14, Uptown 1,  
No. 1, Jalan SS 21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

24 June 2000

The Shareholders,  
NV Multi Corporation Berhad

Dear Sir/Madam,

On behalf of the Directors of NV Multi Corporation Berhad ("NVMC"), I report after due inquiry that during the period from 31 December 1999 (being the date to which the last audited accounts of NVMC and its subsidiaries ("NVMC Group") have been made up) to 17 June 2000 (being a date not earlier than fourteen days before the issue of this Prospectus):-

- (a) the business of the NVMC Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited accounts of the NVMC Group which have materially and adversely affected the trading or the value of the assets of the NVMC Group;
- (c) the current assets of the NVMC Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in the Accountants' Report set out in this Prospectus, no contingent liabilities have arisen by reason of any guarantees given by the NVMC Group; and
- (e) save as disclosed in the Accountants' Report and Proforma Consolidated Balance Sheets in this Prospectus, since the last audited accounts of the NVMC Group, there have been no changes in published reserves nor any unusual factors affecting the profit of the NVMC Group.

Yours faithfully  
For and on behalf of the Board of Directors  
NV MULTI CORPORATION BERHAD

Dato' Dr Kong Hon Kong  
Group Managing Director

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## 16. PROCEDURE FOR APPLICATION AND ACCEPTANCE

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### 16.1 Opening and Closing of Application Lists

The Application Lists will open at 10:00 a.m. on 17 July 2000 and will remain open until 8:00 p.m. on the same day or for such further period or periods as the Board of Directors of NVMC in its absolute discretion may decide.

### 16.2 Methods of Applications

- (i) Application Forms; or
- (ii) Electronic Share Application.

### 16.3 Applications Using Application Forms

The following relevant Application Forms issued with their Notes and Instructions are enclosed with this Prospectus and are deemed to form part hereof:-

- (i) **Pink** Application Forms for applications by eligible employees, sales agents, suppliers and subcontractors of the NVMC Group; and
- (ii) **White** Application Forms for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputra individuals, companies, societies, co-operatives and institutions.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia and MIH.

The Prospectus together with the Application Forms and the official envelopes are also printed in the 29 June 2000 issue of The Star and Utusan Malaysia newspaper.

### 16.4 Procedure for Application

- (i) **Applications by the eligible employees, sales agents, suppliers and subcontractors of the NVMC Group**

Applications for the 3,500,000 ordinary shares reserved for the eligible employees, sales agents, suppliers and subcontractors of the NVMC Group must be made on the **Pink** Application Forms provided.

- (ii) **Applications by the Malaysian public**

Applications for the 7,035,000 ordinary shares made available for application by Malaysian citizens, companies, societies, co-operatives and institutions must be made on the **White** Application Forms provided.

Directors and employees of MIH and their immediate family are strictly prohibited from applying for the Issue Shares.

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## 16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

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Only one Application Form from each applicant will be considered and applications must be for 1,000 ordinary shares or multiples thereof. Multiple applications will not be accepted. The amount payable in full on application is RM3.30 per ordinary share. Persons submitting applications by way of Applications Forms may not submit applications by way of Electronic Share Applications and vice versa. A corporation or institution cannot apply for shares by way of Electronic Share Application.

Each completed Application Form must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-

Malaysian Issuing House Sdn. Bhd.  
27th Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur

or **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the back portion of Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur so as to arrive not later than 8.00 p.m. on 17 July 2000. Applications may also be delivered in a drive-in manner at Stadium Hoki Tun Razak, Jalan Duta, Kuala Lumpur on 17 July 2000 between 8.30 a.m. to 8.00 p.m. only.

Application for the Issue Shares must be made on the Application Forms issued together with this Prospectus and must be completed in accordance with the Notes and Instructions printed on the reverse side of the Application Forms. In accordance with Section 37(1) of the Companies Act, 1965, the Application Forms together with the Notes and Instructions printed therein shall constitute an integral part of this Prospectus. Applications which do not **STRICTLY** conform to the terms of this Prospectus or the Application Forms or Notes and Instructions printed therein or which are illegible will not be accepted.

EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:-

- (A) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTRA APPLICANTS); OR
- (B) CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES IN MALAYSIA AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTRA APPLICANTS); OR
- (C) MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
- (D) GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTRA APPLICANTS); OR



(E) ATM STATEMENT OBTAINED ONLY FROM:-

ARAB-MALAYSIAN BANK BERHAD;  
ARAB-MALAYSIAN FINANCE BERHAD;  
ASIA COMMERCIAL FINANCE (M) BERHAD;  
BAN HIN LEE BANK BERHAD;  
BUMIPUTRA-COMMERCE BANK BERHAD  
BSN COMMERCIAL BANK (MALAYSIA) BERHAD;  
BANK UTAMA (MALAYSIA) BERHAD;  
CREDIT CORPORATION MALAYSIA BERHAD;  
EON BANK BERHAD;  
EON FINANCE BERHAD;  
HOCK HUA BANK BERHAD;  
HOCK HUA FINANCE CORPORATION BERHAD;  
HONG LEONG BANK BERHAD;  
HONG LEONG FINANCE BERHAD;  
INTERNATIONAL BANK MALAYSIA BERHAD;  
MALAYAN BANKING BERHAD;  
MAYBAN FINANCE BERHAD;  
MBf FINANCE BERHAD;  
MULTI-PURPOSE BANK BERHAD;  
ORIENTAL BANK BERHAD;  
ORIENTAL FINANCE BERHAD;  
PHILIPPO ALLIED BANK (MALAYSIA) BERHAD;  
PUBLIC BANK BERHAD;  
PUBLIC FINANCE BERHAD;  
RHB BANK BERHAD;  
SABAH BANK BERHAD;  
THE PACIFIC BANK BERHAD; OR  
UNITED MERCHANT FINANCE BERHAD

AND MUST BE MADE OUT IN FAVOUR OF "MIH SHARE ISSUE ACCOUNT NO. 178" AND CROSSED "A/C PAYEE ONLY" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT (EXACTLY AS STATED ON THE APPLICATION FORM).

THE NAME AND ADDRESS OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT IN THE APPLICANT'S IDENTITY CARD OR "RESIT PENGENALAN SEMENTARA (JPN 1/9)" OR "RESIT PENUKARAN KAD PENGENALAN (JPN 1/22)" AND MUST BE ATTACHED TOGETHER WITH A LEGIBLE PHOTOCOPY OF THE APPLICANT'S IDENTITY CARD OR CHANGE OF ADDRESS CARD IN THE CASE OF AN INDIVIDUAL APPLICANT EXCEPT FOR THE ADDRESS OF ARMED FORCES/POLICE PERSONNEL, WHICH SHOULD BE BASED ON THE ADDRESS OF THE APPLICANT'S RESPECTIVE CAMP/BASE/STATION. IN THE CASE OF A CORPORATE/INSTITUTIONAL APPLICANT, THE NAME OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT IN THE APPLICANT'S CERTIFICATE OF INCORPORATION AND THE ADDRESS MUST BE EXACTLY THE SAME AS THE REGISTERED ADDRESS.

THE NAME AND ADDRESS OF THE APPLICANT (AS EXACTLY STATED ON THE APPLICATION FORM) MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER, CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES OR GUARANTEED GIRO ORDER (GGO) FROM BANK SIMPANAN NASIONAL.

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## 16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

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AN APPLICANT SHOULD STATE HIS CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM IF HE PRESENTLY HAS SUCH AN ACCOUNT. WHERE AN APPLICANT DOES NOT PRESENTLY HAVE A CDS ACCOUNT, HE SHOULD STATE IN HIS APPLICATION FORM HIS PREFERRED ADA CODE

APPLICATIONS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN THOSE STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER'S DRAFT/CASHIER'S ORDER WILL NOT BE ACCEPTED. DETAILS OF REMITTANCES MUST BE COMPLETED IN THE APPROPRIATE BOXES PROVIDED ON THE APPLICATION FORMS.

The Directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The Directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with these provision.

The Directors of the Company reserve the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.

The Directors of the Company reserve the right not to accept any application or accept any application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.

Where an application is not accepted, the full amount of the application monies, without interest, will be returned and dispatched to the applicant within twenty one (21) days from the date of the final ballot of the Applications Lists by registered post at the address shown on the Application Form at the applicant's own risk.

MIH reserves the right to bank in all application monies from unsuccessful Bumiputera applicants and partially-successful applicants, which would subsequently be refunded without interest by registered post.

No acknowledgement of the receipt of Application Forms or application monies will be made by the Company.

PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE FORM OF APPLICATION TO MIH.

### 16.5 Applications Using Electronic Share Applications

- (i) **Steps for Electronic Share Application through a Participating Financial Institution's ATM**
  - (a) Applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
  - (b) Applicant must have a CDS account.

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**


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(c) Applicant is to apply for the Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application is set out in Section 16.5 (ii) under the Terms and Conditions for Electronic Share Applications. Applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so:-

- Personal Identification Number (PIN)
- **MIH Share Issue Account Number 178**
- CDS Account Number
- Number of Shares applied for and/or the Ringgit amount to be debited from the account
- Confirmation of several mandatory statements.

**(ii) Terms and Conditions for Electronic Share Applications**

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "Steps"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 16.5 (i) of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to "applicant" in the terms and conditions for Electronic Share Applications and the Steps shall mean the applicant who applies for shares through an ATM of any of the Participating Financial Institutions.

In the case of Electronic Share Applications, only an applicant who is an individual with a CDS Account is eligible to utilise the facility.

The applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Financial Institutions before he can make an Electronic Share Application at an ATM of that Participating Financial Institutions. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of his Electronic Share Application transaction, the applicant will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by the Company or MIH. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of the Offer for the application for the Public Issue Share on 17 July 2000 at 8.00 p.m. ("Closing Date and Time"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. of the 2<sup>nd</sup> business day after the Closing Date and Time.

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## 16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

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An applicant will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he has an account and its branches, subject to the applicant making only one application. An applicant who has a bank account with a Participating Financial Institution and has been issued an ATM card will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to the applicant making only one application. A fee of RM2.50 per application will be charged.

AN APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. HIS APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE FOREGOING.

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained in Section 16.5 (ii) as well as the terms and conditions appearing below: -

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company.
- (b) The applicant is required to confirm the following statement (by depressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:-
  - I have attained 18 years of age as at the closing date of the share application.
  - I am a Malaysian citizen residing in Malaysia.
  - I have read the relevant Prospectus and understood and agreed with the terms and conditions of this application.
  - This is the only application that I am submitting.
  - I hereby give consent to the Participating Financial Institution and MCD to disclose information pertaining to myself and my account with the Participating Financial Institution and MCD to MIH and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institution. By doing so, the applicant shall be treated as signifying his confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act 1989 and Section 45 of the Securities Industry (Central Depositories) Act 1991 to the disclosure by the relevant Participating Financial Institution or MCD, as the case may be, of any of the applicant's particulars to MIH, or any relevant regulatory bodies.

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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- (c) THE APPLICANT CONFIRMS THAT HE IS NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE MAKES IS MADE BY HIM AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE ISSUE SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.
- (d) The applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Share Application, failing which his Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (e) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of shares applied for as stated on the Transaction Record or any lesser number of shares that may be allotted or allocated to him in respect of his Electronic Share Application. In the event that the Company decides to allot or allocate any lesser number of such shares or not to allot or allocate any shares to the applicants, the applicant agrees to accept any such decision as final. If the applicant's Electronic Share Application is successful, his confirmation (by his action of pressing the designated key on the ATM) of the number of shares applied for shall signify, and shall be treated as, his acceptance of the number of shares that may be allotted or allocated to him and to be bound by the Memorandum and Articles of the Company.
- (f) The Company reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial institution will be informed of the non-successful or partially successful applications. Where the Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into the applicant's account with that Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. MIH shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) market days after the balloting date. The applicants may check their accounts on the fifth market day from the balloting day.

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. A number of applications will, however, be held in reserve to replace any successfully balloted applications which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to applicants by MIH by way of cheques issued by MIH. The cheques will be issued to the applicants not later than twenty one (21) days from the day of the final ballot of the application list.

- (h) The applicant requests and authorises the Company:-
  - (i) to credit the shares allotted or allocated to the applicant into the CDS account of the applicant; and
  - (ii) to issue share certificate(s) representing such shares allotted or allocated in the name of MCD Nominees Sdn. Bhd. and send the same to MCD.
- (i) The applicant, acknowledging that his Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of the Company, MIH or the Participating Financial Institution, irrevocably agrees that if:-
  - (i) the Company or MIH does not receive the applicant's Electronic Share Application;
  - (ii) data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to the Company or MIH,

the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall not claim whatsoever against the Company, MIH or the Participating Financial Institutions for the shares applied for or for any compensation, loss or damage.
- (j) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he makes his Electronic Share Application shall be deemed to be true and correct and the Company, MIH and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) The applicant shall ensure that his personal particulars as recorded by both MCD and relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Share Application is liable to be rejected. The applicant must inform MCD promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to his registered address last maintained with MCD.

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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- (l) By making and completing an Electronic Share Application, the applicant agrees that:
- (i) in consideration of the Company agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, his Electronic Share Application is irrevocable;
  - (ii) the Company, the Participating Financial Institutions, MCD and MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Share Application to the Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
  - (iii) notwithstanding the receipt of any payment by or on behalf of the Company, the acceptance of the offer made by the applicant to subscribe for and purchase the shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the said shares;
  - (iv) the applicant irrevocably authorizes MCD to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the shares allotted or allocated to the applicant; and
  - (v) the Company agrees that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application Scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (m) The Directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The Directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (n) The Directors of the Company reserve the right to reject applications which do not conform to these instructions.
- (o) Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:-
- ARAB-MALAYSIAN BANK BERHAD (295576-U)
  - ARAB-MALAYSIAN FINANCE BERHAD (5493-X)
  - BUMIPUTRA-COMMERCE BANK BERHAD (13491-P)  
(at selected branches in the Klang Valley only)
  - HSBC BANK MALAYSIA BERHAD (127776-V)
  - MALAYAN BANKING BERHAD (3813-K)
  - MAYBAN FINANCE BERHAD (3905-T)

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## 16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

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- OCBC BANK (MALAYSIA) BERHAD (5493-X)
- ORIENTAL BANK BERHAD (845-W)
- STANDARD CHARTERED BANK MALAYSIA BERHAD (1 15793-P) (at selected branches only)

- (p) A surcharge of RM2.50 per electronic share application will be charged by the respective participating financial institution.

### 16.6 Applications and Acceptances

The Directors of NVMC reserve the right not to accept any application which does not strictly comply with the instructions or to accept any application in part only without assigning any reason thereof.

The submission of an Application Form does not necessarily mean that the application will be successful.

ALL APPLICATIONS MUST BE FOR 1,000 ORDINARY SHARES OR MULTIPLES THEREOF.

In the event of an over-subscription for the Issue Shares, acceptance of applications shall be subject to ballot to be conducted in the manner approved by the Directors of NVMC. The basis of allocation to be devised shall be in such manner as to spread the shareholding base in NVMC over a reasonable number of applications with a view to establishing an adequate market in NVMC shares. Pursuant to the SC's Policies and Guidelines on Issue/Offer of Securities, the Company is required to have at least 25% of the issued and paid-up capital in the hands of public shareholders and a minimum number of 750 public shareholders (excluding employees) holding not less than 1,000 shares each upon completion of the Public Issue and at the point of listing. However, in the event that the above requirement is not met pursuant to this Public Issue, the Company may not be allowed to proceed with its listing plan, in which event all application monies will be returned without interest. Applicants will be selected in a manner to be determined by the Directors.

Any shares not subscribed by the eligible employees, suppliers, subcontractors and sales agents of the NVMC Group will be made available for application by the Malaysian public. In the event of an under-subscription by the Malaysian public, all the ordinary shares not applied for will be made available for subscription proportionately by the Managing Underwriter and the Underwriters in the proportions specified in the Underwriting Agreement.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED BY ORDINARY POST OR REGISTERED POST RESPECTIVELY TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS AT THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCES HAVING BEEN PRESENTED FOR PAYMENT.

THE ISSUING HOUSE RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTRA APPLICANTS AND FROM PARTIALLY SUCCESSFUL APPLICANTS WHICH WILL BE SUBSEQUENTLY REFUNDED WITHOUT INTEREST AND DESPATCHED BY REGISTERED POST TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS AT THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.



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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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**16.7 CDS Accounts**

Pursuant to Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in ordinary shares of NVMC shares will be by book entries through CDS Accounts. No share certificates will be issued to successful applicants.

In the case of an application by way of an Application Form, an applicant should state his CDS account number in the space provided in the Application Form or if he presently has such accounts. If the applicant does not presently have such an account, he should state his preferred ADA Code in the space provided. If a successful applicant fails to state either his CDS account number or the preferred ADA Code in his Application Form, the Company may, in the exercise of its absolute discretion, instruct MIH to insert a preferred ADA Code in the Application Form and further instruct MCD to open a CDS account on the applicant's behalf at the specified ADA and credit the shares allocated to the applicant into the applicant's CDS account.

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account to the Participating Financial Institution by way of keying in his CDS account number if the instruction on the ATM screen at which he enters his Electronic Share Application requires him to do so.

Failure to comply with these specific instructions as the Electronic Share Application requires or inaccuracy in the CDS Account number or the preferred ADA Code may result in the application being rejected. The Directors of the Company reserve the right to reject any incomplete and inaccurate application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Applications, if the records of the Participating Financial Institutions at the time of making the Electronic Share Applications differ from those in MCD's records, such as the identity card number, names and nationalities.

**16.8 Notice of Allotment**

Shares allotted to all successful applicants will be credited to their respective CDS Accounts. A notice of allotment will be despatched to the successful applicant at his address shown in the Application Form at the applicant's own risk within thirty (30) days after the final ballot of the application. For Electronic Share Applications, the notice of allocation will be despatched to the successful or partially successful applicant at his/her address last maintained with the MCD at the applicant's own risk within thirty (30) days after the final ballot of the application list. This is the only acknowledgement of acceptance of the application.

**16.9 Formalising CDS Accounts**

Successful applicants whose CDS Accounts have been opened by the MCD at their preferred ADA or the ADA caused to be inserted by MIH at the instruction of the Company in case where the successful applicant fails to state either his/her CDS account number or preferred ADA Code, is required to formally open his/her accounts by submitting to the ADA the necessary documents and the account opening fee. No transaction of shares credited to the account can be effected until the account has been formally opened.

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**


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**16.10 List of Authorised Depository Agents**

The list of ADAs and their respective broker code is as follows:-

Name	Address and telephone number	Broker Code
<b>KUALA LUMPUR</b>		
AFFIN-UOB SECURITIES SDN. BHD.	Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel. No.: 03-2438668	028-001
ARAB-MALAYSIAN SECURITIES SDN. BHD.	15 <sup>th</sup> Floor, Bangunan Arab-Malaysian 55 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-2382788	086-001
BBMB SECURITIES SDN. BHD.	Level 2 & 3, 4 & 17 Menara Olympia 8 Jalan Raja Chulan 50200 Kuala Lumpur P. O. Box 10584 Kuala Lumpur Tel. No.: 03-2019900	099-001
BIMB SECURITIES SDN. BHD.	1 <sup>st</sup> & 2 <sup>nd</sup> Floor Podium Block, Bangunan AMDB No. 1 Jalan Lumut 50350 Kuala Lumpur Tel. No.: 03-4433533	024-001
CIMB SECURITIES SDN. BHD.	8 <sup>th</sup> Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-2532288	065-001
FIMA SECURITIES SDN. BHD. <i>(formerly known as Capitalcorp Securities Sdn. Bhd.)</i>	No. 45-14, Plaza Level & Level One, Plaza Damansara Jalan Medan Setia Satu Bukit Damansara 50490 Kuala Lumpur Tel No.: 03-2549966	018-001
HLG SECURITIES SDN. BHD.	21 <sup>st</sup> Floor, Wisma HLA Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-2452998	066-001
INTER-PACIFIC SECURITIES SDN. BHD.	Level 7, Menara Shahzan Insas 30 Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03-2441888	054-001
JUPITER SECURITIES SDN. BHD.	7 <sup>th</sup> – 9 <sup>th</sup> Floor, Menara Olympia 8 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-2041888	055-001
K&N KENANGA BHD.	8 <sup>th</sup> Floor, Pemas International Building 801, Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03-2613066	073-001

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**


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<b>Name</b>	<b>Address and telephone number</b>	<b>Broker Code</b>
KUALA LUMPUR CITY SECURITIES SDN. BHD.	3.07, Level 3 Bangunan Angkasaraya Jalan Ampang 50450 Kuala Lumpur Tel. No.: 03-2449322	076-001
LEONG & CO SDN. BHD.	Level 18, Wisma Cyclecarri 288 Jalan Raja Laut 50350 Kuala Lumpur P. O. Box 10943 50730 Kuala Lumpur Tel. No.: 03-2928899	061-001
MAYBAN SECURITIES SDN. BHD.	30 <sup>th</sup> Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: 03-2323822	098-001
MGI SECURITIES SDN. BHD.	1 <sup>st</sup> & 2 <sup>nd</sup> Floor, Wisma MGIC 38 Jalan Dang Wangi 50100 Kuala Lumpur Tel No.: 03-2911889	052-001
MIDF SISMA SECURITIES SDN. BHD.	17-18 <sup>th</sup> Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03-2668888	026-001
OSK SECURITIES BHD.	10 <sup>th</sup> Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel. No.: 03-2624388	056-001
PB SECURITIES SDN. BHD.	27 <sup>th</sup> Floor, Bangunan Public Bank 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: 03-2013011	051-001
PM SECURITIES SDN. BHD.	Ground Mezzanine & 1 <sup>st</sup> Floors Menara Pengkalen No. 2 Jalan Changkat Ceylon 50200 Kuala Lumpur Tel. No.: 03-2448055	064-001
RASHID HUSSAIN SECURITIES SDN. BHD.	Level 1, 2, 3 & 5 Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9852233	087-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN. BHD.	26 <sup>th</sup> - 30 <sup>th</sup> Floor The Weld Tower 76 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-2081600	053-001
SIME SECURITIES SDN. BHD	21 <sup>st</sup> Floor, Bangunan Sime Bank Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: 03-2749288	097-001
TA SECURITIES BHD.	TA One Tower 22 Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: (03) 2321277	074-001

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**


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Name	Address and telephone number	Broker Code
<b>SELANGOR DARUL EHSAN</b>		
AMSTEEL SECURITIES (M) SDN. BHD.	2 <sup>nd</sup> , 3 <sup>rd</sup> & 4 <sup>th</sup> Floors No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: 03-3439999	080-001
HALIM SECURITIES SDN. BHD.	68, Jalan 52/6 New Town Centre P. O. Box 561 46770 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-7555777	091-001
HWANG-DBS SECURITIES BERHAD (SHAH ALAM BRANCH)	18-20 Floor, Plaza Masalam 2, Jalan Tengku Ampuan Zabedah E9/E Section 9, 40100 Shah Alam Selangor Darul Ehsan Tel. No.: 03-5533288	068-002
JF APEX SECURITIES BHD.	3 <sup>rd</sup> Floor, Wisma Apex 145A-C, Jalan Bukit P. O. Box 16 43007 Kajang Selangor Darul Ehsan Tel. No.: 03-8361118	079-001
MOHAIYANI SECURITIES SDN. BHD.	2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Plaza Damansara Utama No. 2 Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-7197345	095-001
SJ SECURITIES SDN. BHD.	Level 3, Holiday Villa No. 9, Jalan SS 12/1, Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-7340202/7340101	096-001
<b>MELAKA</b>		
MALACCA SECURITIES SDN. BHD.	No. 1, 3 & 5 Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang P.O.Box 248 75750 Melaka Tel No. : 06-3371550	012-001
OCBC SECURITIES (MELAKA) SDN. BHD.	579, 579A & 579B Taman Melaka Raya 75000 Melaka Tel. No.: 06-2825211	072-001
STRAITS SECURITIES SDN. BHD.	Lot 9 & 10, 1 <sup>st</sup> Floor Bangunan Tabong Haji Jalan Bandar Kaba P.O. Box 209 75740 Melaka Tel. No.: 06-2833622	011-001

**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker Code</b>
<b>PERAK DARUL RIDZUAN</b>		
BOTLY SECURITIES SDN. BHD.	1 <sup>st</sup> Floor, Plaza Teh Teng Seng 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Tel. No.: 05-2531313	058-001
KIN KHOON & CO. SDN. BHD.	23 & 25, Wisma Kota Emas Jalan Dato' Tahwil Azhar P. O. Box No. 421 30910 Ipoh Perak Darul Ridzuan Tel. No.: 05-2543311	017-001
MBf NORTHERN SECURITIES SDN. BHD.	71, Jalan Lim Bo Seng 30250 Ipoh Perak Darul Ridzuan Tel. No.: 05-2548999, 05-2513333	067-001
M&A SECURITIES SDN. BHD.	M & A Building 52A Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: 05-2419800	057-001
PHILEO ALLIED SECURITIES SDN. BHD.	63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2558233	071-001
SBB SECURITIES SDN. BHD.	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2530888	090-001
TAIPING SECURITIES SDN. BHD.	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: 05-8060888	092-001
OSK SECURITIES BERHAD	21-25, Jalan Seenivasagam, Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2415100	056-002
<b>PULAU PINANG</b>		
A. A. ANTHONY & COMPANY SDN. BHD.	No. 41-1-1 & 41-2-1 Jalan Cantonment 10250 Pulau Pinang Tel. No.: 04-2299318	014-001
HWANG-DBS SECURITIES BHD.	Levels 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel. No.: 04-2636996	068-001
KE-ZAN SECURITIES SDN. BHD.	Wisma Ke-Zan 64 Bishop Street 10200 Pulau Pinang Tel No.: 04-2634222	085-001

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**


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Name	Address and telephone number	Broker Code
MERCURY SECURITIES SDN. BHD.	2 <sup>nd</sup> Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Prai, Pulau Pinang Tel. No.: 04-3322123	093-001
SMITH ZAIN SECURITIES SDN. BHD.	7 <sup>th</sup> & 8 <sup>th</sup> Floor, Menara PSCI 39 Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: 04-2283355	016-001
SOON THEAM SECURITIES SDN. BHD.	No. 111 Jalan Macalister 10400 Pulau Pinang Tel. No.: 04-2281868	060-001
THONG & KAY HIAN SECURITIES SDN. BHD.	Level 5 & 6, Wisma Sri Pinang 60 Green Hall 10200 Pulau Pinang Tel. No.: 04-2635481	070-001
UT SECURITIES SDN. BHD.	12 <sup>th</sup> Floor, Bangunan Mayban Trust 3 Penang Street 10200 Pulau Pinang Tel. No.: 04-2623751	059-001
<b>KEDAH DARUL AMAN</b>		
ALOR SETAR SECURITIES SDN. BHD.	Lot T-30, 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel. No.: 04-7318205	094-001
<b>PERLIS INDRA KAYANGAN</b>		
UPEN SECURITIES SDN. BHD.	2 <sup>nd</sup> Floor Podium Block 0100 Kangar Perlis Indra Kayangan Tel No.: 04-9765200	023-001
<b>NEGERI SEMBILAN DARUL KHUSUS</b>		
PAN MALAYSIA EQUITIES SDN BHD.	2 <sup>nd</sup> , 9 <sup>th</sup> & 10 <sup>th</sup> Floor Bangunan Yayasan Negeri Sembilan Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: 06-7638999	084-001
MALPAC SECURITIES SDN. BHD.	Tingkat 1, 2 & 3 19, 20 & 21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: 06-7623131	063-001
<b>JOHOR DARUL TAKZIM</b>		
ENG SECURITIES SDN. BHD.	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel. No.: 07-2231211	081-001

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**


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Name	Address and telephone number	Broker Code
JB SECURITIES SDN. BHD.	Suite 8.2, Level 8 Menara Sarawak Enterprise No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No.: 07-3332000/3332800	078-001
KESTREL SECURITIES SDN. BHD.	No. 57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: 07-9532222	088-001
PENINSULA SECURITIES SDN. BHD.	Level 2, Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: 07-3333600	077-001
PJB PACIFIC SECURITIES SDN. BHD.	Podium 2A & 3 Menara Ansar 65, Jalan Trus 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222692	027-001
SOUTH JOHOR SECURITIES SDN. BHD.	3 <sup>rd</sup> Floor, Penggaram Complex 1 Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel. No.: 07-4317033	069-001
<b>PAHANG DARUL MAKMUR</b>		
WK SECURITIES SDN. BHD.	A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel. No.: 09-5660800	083-001
<b>KELANTAN DARUL NAIM</b>		
KOTA BAHRU SECURITIES SDN. BHD.	298 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No.: 09-7433388	075-001
<b>TERENGGANU DARUL IMAN</b>		
FA SECURITIES SDN. BHD.	3 <sup>rd</sup> Floor, Wisma UMNO Jalan Masjid Abidin 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: 09-6238128	021-001
PTB SECURITIES SDN. BHD.	Tingkat 1,2 & 3 No. 61 Jalan Sultan Ismail Peti Surat 151, Pejabat Pos Besar 20700 Kuala Terengganu Terengganu Darul Imam Tel No. : 09-6235767	025-001

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**16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**


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Name	Address and telephone number	Broker Code
<b>SARAWAK</b>		
SARAWAK SECURITIES SDN. BHD.	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel. No.: 082-338000	019-001
SARAWAK SECURITIES SDN. BHD.(MIRI BRANCH)	Lot 2465 Jalan Boulevard Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 082-435577	019-002
<b>SABAH</b>		
INNOSABAH SECURITIES SDN. BHD.	11 Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel. No.: 088-234099	020-001
<b>WILAYAH PERSEKUTUAN LABUAN</b>		
LABUAN SECURITIES SDN. BHD.	Level 2 Wisma Oceanic Jalan O K K Awang Besar 87007 Wilayah Persekutuan Labuan Tel. No.: 087-410621	022-001



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**17. FURTHER STATUTORY AND GENERAL INFORMATION**

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**17.1 Share Capital**

- (i) No shares will be allotted on the basis of this Prospectus later than six (6) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares. There is only one class of shares in the Company namely ordinary shares of RM1.00 each, all of which rank pari passu with one and another.
- (iii) Save as disclosed below and in Sections 9.4 and 10 of this Prospectus, no shares and debentures of the Company and its subsidiaries have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the two (2) preceding years from the date hereof:-

- (a) On 28 October 1998, NVMC and NVC entered into a conditional Sale and Purchase Agreement with Credence Image Sdn. Bhd. to acquire the entire issued and paid-up share capital of PJMC comprising 60,000 ordinary shares of RM1.00 each for a consideration of RM1,650,000 to be satisfied by cash amounting to RM900,000 and the remaining balance by NVC ordinary shares of RM1.00 each to be allotted over 3 years commencing 30 September 1999, subject to a fulfilment of a profit guarantee for the financial year ended 30 September 1999 and the two (2) financial years ending 31 December 2001.

Clause 3(a)(ii) of the said agreement specified that the issued and paid-up capital of NVC will be increased to 5,000,000 ordinary shares of RM1.00 each. The 750,000 shares to be allotted to Credence Image Sdn. Bhd. over the abovementioned 3 years is subject to the fulfilment of a profit guarantee mentioned in Section 17.6 (ii) below, and will upon its eventual full allotment comprise 15% of the enlarged issued and paid-up share capital of NVC at an issue price of RM1.00 per share; and

- (b) On 1 January 2000, NVC and NVCJ entered into a conditional Sale and Purchase Agreement with Minat Berkhat Sdn. Bhd. to acquire the entire issued and paid-up share capital of HLH comprising 750,000 ordinary shares of RM1.00 each for a cash consideration of RM750,000.

Clause 6 of the said agreement specified that subject to the fulfilment of a profit guarantee mentioned in Section 17.6 (v) below, NVC shall allot 15% of the enlarged issued and paid-up share capital of NVCJ at RM1.00 per ordinary share to Minat Berkhat Sdn. Bhd. over 3 years commencing 31 December 2000 as an incentive to meet the profit guarantee for the 3 financial years ending 31 December 2000, 2001 and 2002.

- (iv) Save as disclosed in Section 8.1 and Section 17.1(iii) of this Prospectus, no person or Director or employee of the Group has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries. Further, no option for any shares, stocks or debentures of the Company or its subsidiaries has been granted to or exercised by any Director of the NVMC Group during the last financial year.

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**


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- (v) Other than the Issue Shares offered to the eligible employees of the NVMC Group as disclosed in Section 8.1 of this Prospectus and below, there is currently no scheme involving the Directors and staff in the capital of the Company or its subsidiaries.
- (a) Lim Chee Hing, an employee of PJMC, is a substantial shareholder of Credence Image Sdn. Bhd. holding 25% voting rights in the company. Credence Image Sdn. Bhd. has entered into a conditional Sale and Purchase Agreement with NVMC and NVC, details of which are set out in Section 17.1 (iii) (a) above.
- Pursuant to the said agreement, Credence Image Sdn. Bhd. will be issued 750,000 NVC ordinary shares of RM1.00 each in equal tranches of 250,000 NVC ordinary shares per year at the nominal value of RM1.00 per share over three (3) years commencing 30 September 1999 upon fulfilment of a profit guarantee mentioned in Section 17.6 (ii) below. Accordingly, Lim Chee Hing is deemed to have an interest in the said NVC ordinary shares through Credence Image Sdn. Bhd.
- (b) Chong Kaw Chai, an employee of HLH, is a substantial shareholder of Minat Berkat Sdn. Bhd. holding 50% voting rights in the company. Minat Berkat Sdn. Bhd. has entered into a conditional Sale and Purchase Agreement with NVC and NVCJ, details of which are set out in Section 17.1 (iii) (b) above.
- Pursuant to the said agreement, Minat Berkat Sdn. Bhd. will be issued 15% shareholdings in NVCJ in three (3) equal tranches of 5% each over three (3) years commencing 31 December 2000 upon fulfilment of a profit guarantee mentioned in 17.6 (v) below. Accordingly, Chong Kaw Chai is deemed to have an interest in the said NVCJ ordinary shares through Minat Berkat Sdn. Bhd.
- (vi) As at the date hereof, the Company does not have any convertible debt securities.

**17.2 Articles of Association and transferability of securities**
**17.2.1 Articles of Association**
**(i) Remuneration of Directors**

The provisions in the Company's Articles of Association dealing with the remuneration of the Directors are as follows:-

**Article 87 - Director's Remuneration**

The Directors shall be paid by way of fees for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine. Provided always that:-

- (i) Fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- (ii) Salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (iii) Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting;
- (iv) Any fee paid to an alternate director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

***Article 88 – Reimbursement of expenses***

- (i) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.
- (ii) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board of Directors. The said remuneration shall not include a commission on or percentage of profits or turnover.

***Article 100 – Director may act in his professional capacity***

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he was not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company and provided further that such shall be at normal commercial term.

***Article 114 – Remuneration of Managing Director***

The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.

**(ii) *Voting and Borrowing Powers of Directors***

The provisions in the Company's Articles of Association dealing with voting powers of the Directors in proposals, arrangements or contracts in which

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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they are interested and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:-

***Article 92 – Directors' borrowing power***

- (i) The Directors may exercise all the powers of the Company to borrow and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries.
- (ii) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

***Article 108 – Restriction on voting***

A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has direct personal interest or indirect (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same.

***(iii) Changes in Capital and Variation of Class Rights***

The provisions in the Company's Articles of Association as to changes in capital and variation of class rights, which are as stringent as those required by law, are as follows:-

***Article 5 – Allotment of shares***

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of these Articles and the Act and to the provisions of any resolutions of the Company, shares in the Company may be issued by the Directors, who may allot or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise and either at a premium, discount or otherwise as the directors think fit PROVIDED ALWAYS that:-

- (i) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;
- (ii) no issue of share shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the members of the Company in general meeting;
- (iii) the rights attaching to the shares of a class other than ordinary shares shall be expressed in the resolution creating the same;

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- (iv) every issue of the shares or options to employees of the Company and/or the Company's subsidiaries and/or Directors shall be approved by the members in general meeting and no Director shall participate in such issue of shares or options unless:-
- (a) the members in general meeting have approved of the specific allotment to be made to such Directors; and
- (b) he holds office in the Company in an executive capacity PROVIDED ALWAYS that a Director not holding office in an executive capacity may so participate in any issue of shares pursuant to public issue or public offer or special issue, such participation to be approved by the relevant authorities.

***Article 7 – Repayment of Preference Capital***

Notwithstanding Article 12 hereof the repayment of preference share capital other than redeemable preference shares, or any other alteration of preference shareholder's rights may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

***Article 8 – Commission on subscription of shares***

The Company may exercise the powers of paying commissions conferred by Section 58 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and the rate of the commission shall not exceed the rate of ten per cent (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 percent (10%) of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

***Article 12 – Modification of class rights***

If at any time the share capital is divided into different classes of shares, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adoptions as are necessary, apply.

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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***Article 13 – Ranking of class rights***

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or the Company in some or in all respects *pari passu* therewith.

***Article 44 – Power to increase capital***

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amount and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

***Article 45 – Offer of unissued original shares and new shares***

Subject to any direction to the contrary that may be given by the Company in general meetings, any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

***Article 46 – Waiver of convening extraordinary general meeting***

Notwithstanding Article 45 above, but subject always to Section 132D of the Act, the Company may apply to the Exchange upon which the Company is listed for waiver of convening Extraordinary General Meetings to obtain shareholders' approval for further issues of shares (other than bonus or right issues) where:-

- (i) there is still in effect a resolution approving the issuance of shares by the Company; and
- (ii) the aggregate of the shares issued in any one financial year does not exceed 10% of the issued share capital of the Company.

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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***Article 47 – New shares to rank with original shares***

Except so far as otherwise provided by the conditions of issues, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

***Article 48 – Power to alter capital***

The Company may by ordinary resolution:-

- (i) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (iii) subdivide its shares or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them, subject nevertheless to the provisions of Section 62(1)(d) of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares and;
- (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

***Article 49 – Power to reduce capital***

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorisation and consent required by law.

***(iv) Transfer of Securities***

The provisions in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:-

***(a) Articles of Association******Article 24 – Securities deposited with the Central Depository***

The transfer of any securities or class of securities of the Company which have been deposited with the Central Depository, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exception that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of shares.

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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***Article 25 – Register of Transfer***

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time not exceeding in the whole thirty (30) days in any year. At least eighteen (18) market days' notice of intention to close the register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. The said notice shall state the period and purpose or purposes for which the register is being closed. At least three (3) market days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors. Provided that where the Record of Depositors is required in respect of corporate actions, at least seven (7) market days prior notice shall be given to the Central Depository.

**(b) Companies Act, 1965*****Section 103 (1)***

Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

***Section 103 (1A)***

Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for that purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the title of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.

***Section 107C(1)***

On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding Sections 103 and 104, such company shall be precluded from registering and affecting any transfer of securities.



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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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***Section 107C(2)***

Subsection (1) shall not apply to a transfer of securities to a central depository or its nominees company.

**(c) Main Board Listing Requirements of the KLSE*****Section 293A - Transfers of Securities***

The transfer of any securities or class of securities of the company which have been deposited with the Central Depositories, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding Sections 103 and 104 of the Companies Act, 1965, but subject to subsection 107C(2) of the Companies Act, 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, 1965 the company shall be precluded from registering and effecting any transfer of securities.

***Section 293B - Transmission of securities from Foreign Register*****(1) Where:-**

- (a) the securities of a company are listed on an Approved Market Place; and
- (b) such company is exempted from compliance with Section 14 of the Securities Industry (Central Depository) Act, 1991 or Section 29 of the Securities Industry Central Depository in respect of such securities.

Such company shall, upon request of a securities holder permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the register of the company in Malaysia (hereinafter referred to as "the Malaysian Register") subject to the following conditions:-

- (i) there shall be no change in the ownership of such securities; and
  - (ii) the transmission shall be executed by causing such securities to be credited directly into other securities account of such securities holders.
- (2) For the avoidance of doubt, no company which fulfill the requirements of paragraphs (a) and (b) of Section 293(B) (1) shall allow any transmission of Securities from the Malaysian Register in the Foreign Register.

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**(d) Rules of MCD*****Rule 8.01 (2) (Rejection of transfer)***

The Central Depository may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reasons stipulated under Rule 8.03(1)(c).

***Rule 8.05A (Transfers from the principal or nominee account)***

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this Chapter.

***Rule 9.03(2) (Documents to lodge)***

It shall be the responsibility of the authorised depository agent, in processing the transfer between two securities accounts belonging to different depositors (hereinafter the transfer is referred to as "the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows:-

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion on the said form duly witnessed by another person (other than the Depositor's spouse);
- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:-
  - (i) transmission and transfer of securities arising from the provisions of any written law or an order of court of competent jurisdiction;
  - (ii) rectification of errors;
  - (iii) pledge, charge or mortgage;
  - (iv) mandatory offer pursuant to the provisions of the Malaysian Code On Take-overs and Mergers 1987;
  - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer;

## 17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)

- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

### 17.3 Directors and Substantial Shareholders

- (i) The names, addresses and occupations of the Directors are set out in Section 2 of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company.
- (iii) No Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events:-
- (a) A petition under any bankruptcy laws filed against such person or any partnership in which he is or was a partner or any corporation of which he is or was an executive officer;
- (b) Conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; and
- (c) The subject of an order, judgment or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or 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.
- (iv) The direct and indirect interests of the substantial shareholders of NVMC immediately before and after the Public Issue are as follows:-

Shareholders	← Before the Public Issue →				← After the Public Issue →			
	No. of ordinary shares held				No. of ordinary shares held			
	Direct	%	Indirect	%	Direct	%	Indirect	%
MT	23,129,549	38.90	-	-	23,129,549	33.04	-	-
Dato' Dr Kong Hon Kong	504,480	0.85	14,714,107#	24.74	504,480	0.72	14,714,107#	21.02
AG	14,714,107	24.74	-	-	14,714,107	21.02	-	-
ILS	14,148,266	23.79	-	-	14,148,266	20.21	-	-
ADR	3,484,274	5.86	-	-	3,484,274	4.98	-	-
MP	3,484,274	5.86	-	-	3,484,274	4.98	-	-
Dato' Leong Hoy Kum	-	-	23,129,549 <sup>†</sup>	38.90	-	-	23,129,549 <sup>†</sup>	33.04
Syed Ahmad bin Syed Salim	-	-	14,148,266 <sup>*</sup>	23.79	-	-	14,148,266 <sup>*</sup>	20.21
Col (Navy) (Rtd) Hj Jallaludin bin Idris	-	-	14,148,266 <sup>*</sup>	23.79	-	-	14,148,266 <sup>*</sup>	20.21
Wahid bin Othman	-	-	3,484,274 <sup>**</sup>	5.86	-	-	3,484,274 <sup>**</sup>	4.98
Norsah binti Pilus	-	-	3,484,274 <sup>**</sup>	5.86	-	-	3,484,274 <sup>**</sup>	4.98
Col (Rtd) Adnan bin Mohd Ali	-	-	3,484,274 <sup>††</sup>	5.86	-	-	3,484,274 <sup>††</sup>	4.98
Mohamed Hafiz bin Mohamed Hashim	-	-	3,484,274 <sup>††</sup>	5.86	-	-	3,484,274 <sup>††</sup>	4.98

# Deemed interested through AG

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**


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+ *Deemed interested through MT*\* *Deemed interested through ILS*\*\* *Deemed interested through ADR*++ *Deemed interested through MP***(a) MT**

The principal activity of MT is that of investment holding company.

The directors of MT are Dato' Leong Hoy Kum, Datin Lim Suat Kiew and Chua Chong Kee. The substantial shareholders of MT and their direct and indirect interest in MT as at 17 June 2000 are as follows:-

<i>Substantial shareholder</i>	<i>&lt;---No. of ordinary shares of RM1.00 each---&gt;</i>			
	<i>Direct</i>	<i>%</i>	<i>Indirect</i>	<i>%</i>
Dato' Leong Hoy Kum	1,226,001	96.16	48,998*	3.84
Vital Breeze Sdn. Bhd.	48,998	3.84	-	-

\* *Deemed interested through Vital Breeze Sdn. Bhd.***(b) AG**

The principal activity of AG is that of investment holding company.

The directors of AG are Dato' Dr Kong Hon Kong, Datin Lau Ah Lan and Tan Poh Hwa. The substantial shareholders of AG and their direct and indirect interests in AG as at 17 June 2000 are as follows:-

<i>Substantial shareholder</i>	<i>&lt;---No. of ordinary shares of RM1.00 each---&gt;</i>			
	<i>Direct</i>	<i>%</i>	<i>Indirect</i>	<i>%</i>
Dato' Dr Kong Hon Kong	150	75.00	50*	100.00
Datin Lau Ah Lan	25	12.50	-	-
Tan Poh Hwa	25	12.50	-	-

\* *Deemed interested by virtue of section 6A of the Companies Act, 1965.***(b) ILS**

The principal activity of ILS is that of investment holding company.

The directors of ILS are Syed Ahmad bin Syed Salim and Col. (Navy)(Rtd.) Hj Jallaludin bin Idris. The substantial shareholders of ILS and their direct and indirect interests in ILS as at 17 June 2000 are as follows:-

<i>Substantial shareholder</i>	<i>&lt;---No. of ordinary shares of RM1.00 each---&gt;</i>			
	<i>Direct</i>	<i>%</i>	<i>Indirect</i>	<i>%</i>
Col. (Navy)(Rtd) Hj Jallaludin bin Idris	60,000	60.00	-	-
Syed Ahmad bin Syed Salim	40,000	40.00	-	-

(c) ADR

The principal activities of ADR is that of investment holding company.

The directors of ILS are Wahid bin Othman and Norsah binti Pilus. The substantial shareholders of ADR and their direct and indirect interests in ADR as at 17 June 2000 are as follows:-

Substantial shareholder	<---No. of ordinary shares of RM1.00 each--->			
	Direct	%	Indirect	%
Wahid bin Othman	60,000	60.00	40,000*	40.00
Norsah binti Pilus	40,000	40.00	-	-

\* Deemed interested by virtue of section 6A of the Companies Act, 1965.

(d) MP

The principal activities of MP is that of investment holding company.

The directors of MP are Col. (Rtd) Adnan bin Mohd Ali and Mohamed Hafiz bin Mohamed Hashim. The substantial shareholders of MP and their direct and indirect interests in MP as at 17 June 2000 are as follows:-

Substantial shareholder	<---No. of ordinary shares of RM1.00 each--->			
	Direct	%	Indirect	%
Col. (Rtd) Adnan bin Mohd Ali	60,000	60.00	-	-
Mohamed Hafiz bin Mohamed Hashim	40,000	40.00	-	-

(v) The direct and indirect interests of the Directors of the Company in the shares of NVMC immediately before and after the Public Issue are as follows:-

Director	<---Before the Public Issue--->				<---After the Public Issue--->			
	No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Dr Kong Hon Kong	504,480	0.85	14,714,107#	24.74	504,480	0.72	14,714,107#	21.02
Jen (B) Tan Sri Yaacob bin Mat Zain	-	-	-	-	-	-	-	-
Hong Hock Ming	-	-	-	-	-	-	-	-
Chua Chong Kee	-	-	-	-	-	-	-	-
Khairul Nizam bin Hamran	-	-	-	-	-	-	-	-

# Deemed interested through AG

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- (vi) There are no existing or proposed service contracts between the Directors and NVMC or its subsidiaries, excluding contracts expiring or terminable by the employing company without payments or compensation (other than statutory compensation) within one year.
- (vii) The aggregate emoluments paid to the Directors of the Company for services rendered to the Company and its subsidiaries for the financial year ended 31 December 1999 was RM1,356,304. For the financial year ending 31 December 2000, the estimated amount payable to the Directors under the arrangement in force with the Company and its subsidiaries is approximately RM2,050,000.
- (viii) Save as disclosed in this Prospectus, the Directors are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of NVMC and its subsidiaries.
- (ix) None of the Directors has any interest in any contract or arrangement which is significant in relation to the business of the Group subsisting at the date of this Prospectus.
- (x) None of the Directors or substantial shareholders of NVMC has any interests, direct or indirect, in the promotion of or in any assets which have been, within the two (2) preceding years from the date of this Prospectus, acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to the Group.
- (xi) None of the Directors or substantial shareholders of NVMC has any interest, direct or indirect, in any business carrying on a similar trade as the NVMC Group and which is not quoted on a recognised stock exchange.

**17.4 General**

- (i) The nature of NVMC's business has been disclosed in Sections 9 and 10 of this Prospectus. Other than mentioned in Sections 1.1 and 9.6 of this Prospectus, there is no corporation which is deemed to be related to NVMC by virtue of Section 6 of the Companies Act, 1965.
- (ii) The last time and date of the opening of the Application Lists is set out in Section 16.1 of this Prospectus.
- (iii) The amount payable in full on application to the Company in respect of each Issue Share is RM3.30 per share.
- (iv) Save as disclosed in Section 8.4 of this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or is payable by the Company or its subsidiaries within the two (2) years immediately preceding the publication of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company and its subsidiaries and in connection with the issue or sale of any capital of the Company and its subsidiaries and no Director or proposed Director or promoter or expert is or are entitled to receive any such payment or any other benefits.

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- (v) During the last financial year and the current financial year, there were no:-
  - (a) public take-over offers by third parties in respect of the Company's shares; and
  - (b) public take-over offers by the Company in respect of other companies' shares.
- (vi) The name and address of the Auditors and Reporting Accountants of the Company are set out in Section 2 of this Prospectus.
- (vii) Other than remuneration in the normal course of employment, no amount or benefit has been paid or given within the two (2) preceding years of the date hereof, nor is it intended to be so paid or given, to any promoter.
- (viii) Save as disclosed in this Prospectus, the financial conditions and operations of NVMC and its subsidiaries are not affected by any of the following:-
  - (a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the NVMC Group's liquidity increasing or decreasing in any material way;
  - (b) Material commitments for capital expenditure;
  - (c) Unusual or infrequent events or transaction or any significant economic changes that materially affect the amount of reported income from operations; and
  - (d) Known trends or uncertainties that have had or that the NVMC Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.
- (ix) The Company has not established any other place of business outside Malaysia.
- (x) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 16 of this Prospectus.
- (xi) The gross amount of the consideration to be received by the Company under the Public Issue is RM34,765,500. The estimated expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of KLSE of RM2,000,000 will be borne by the Company.

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**17.5 Material Litigation**

Save as disclosed below, the Company and its subsidiaries are not engaged in any material litigation, either as plaintiff or defendant, and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of NVMC and its subsidiaries:-

**Yap See Lian vs Nir-Warna Sdn. Bhd. at the Shah Alam High Court civil suit No. 22-349-1995**

Yap See Lian, the Plaintiff, is seeking damages for alleged infringement of the Plaintiff's land by NIR, the Defendant, resulting in damage to the Plaintiff's orchard. The Plaintiff is claiming damages amounting to RM616,590. This claim is not substantiated with proper documents nor does the Plaintiff intend to call expert witnesses on the alleged loss to the orchard.

The Defendant had built an access road between its land and the Plaintiff's land. This road was approved by the relevant authorities and was a necessity for the proper use of the land. The Defendant had not infringed on the Plaintiff's land illegally but had gone onto a portion of the said land with Plaintiff's consent. Further, from the Defendant's investigation, it appears that the Plaintiff did not have an orchard that was allegedly destroyed as claimed by the Plaintiff. The solicitors are of the view that the Plaintiff's claim is unfounded and in any event completely inflated.

The matter is fixed for trial on 9 August 2000 to 10 August 2000 and 23 August 2000 to 24 August 2000. The high court judge had previously adjourned the matter for parties to resolve the matter amicably but the Plaintiff was unrealistic in its proposal and as such, no settlement could be reached.

**17.6 Material Contracts**

Save as disclosed below, there are no contracts which are or may be material, not being contracts entered into in the ordinary course of business, which have been entered into by the Company and its subsidiaries during the two (2) years preceding the date of this Prospectus:-

- (i) On 28 October 1998, NVMC and NVC has entered into a conditional Sale and Purchase Agreement with Credence Image Sdn. Bhd. to acquire the entire issued and paid-up share capital comprising 60,000 ordinary shares of RM1.00 each in PJMC for a consideration of RM1,650,000 to be satisfied by cash amounting to RM900,000 and the remaining balance by NVC shares to be allotted over a period of 3 years commencing 30 September 1999, subject to the fulfilment of a profit guarantee mentioned in (ii) below;
- (ii) On 28 October 1998 NVMC and NVC entered into a Guarantee Agreement with all the shareholders of Credence Image Sdn. Bhd. whereby the shareholders of Credence Image Sdn. Bhd. guaranteed that the pre-tax profit of PJMC will not be less than RM600,000 per annum for the financial year ended 30 September 1999 and the two (2) financial years ending December 2001 in connection with the conditional Sale and Purchase Agreement referred to (i) above;
- (iii) On 10 November 1998, NVMC entered into an Agreement with Meschen Investment Ltd for the sale of the entire issued and paid up share capital of IV representing 2 ordinary shares of RM1.00 each in IV upon completion of the proposed restructuring exercise which comprised the transfer of the Group's memorial park business, assets and liabilities into IV for a total consideration of RM60,000,000. This transaction was rejected by the FIC and the agreement subsequently lapsed on 9 May 1999;



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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**


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- (iv) On 1 January 2000, NVC and NVCJ entered into a conditional Sale and Purchase Agreement with Minat Berkat Sdn. Bhd. to acquire the entire issued and paid-up share capital comprising 750,000 ordinary shares of RM1.00 each in HLH for a cash consideration of RM750,000;
- (v) On 1 January 2000, NVC, NVCJ entered into a Guarantee Agreement with Chong Kaw Chai whereby Chong Kaw Chai, a shareholder of Minat Berkat Sdn. Bhd., guaranteed that the pre-tax profit of HLH will not be less than RM250,000 per annum for the three (3) financial years ending 31 December 2002 in connection with the conditional Sale and Purchase Agreement mentioned in (iv) above; and
- (vi) On 19 June 2000, NVMC, CIMB and the Underwriters entered into an Underwriting Agreement for the underwriting of 10,535,000 Issue Shares at an issue price of RM3.30 per Issue Share for an underwriting commission of 1.5% on the said issue price.

**17.7 Consents**

- (i) The written consents of the Principal Bankers, Solicitors, Registrars, Issuing House, Adviser and Managing Underwriter and Underwriters to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and letters relating to the consolidated profit forecast for the year ending 31 December 2000 and proforma consolidated balance sheets as at 31 December 1999 in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iii) The written consent of the Valuers to the inclusion in this Prospectus of their names and their letters in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**17.8 Documents Available for Inspection**

Copies of the following documents may be inspected at the registered office of NVMC during office hours for a period of six (6) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of the NVMC Group;
- (ii) The Auditors' letters relating the consolidated profit forecast for the year ending 31 December 2000 and proforma consolidated balance sheets as at 31 December 1999 referred to Sections 11 and 13 respectively of this Prospectus;
- (iii) The Accountants' Report and Directors' Report referred to in Sections 14 and 15 respectively of this Prospectus;
- (iv) The letters of consent referred to in Section 17.7 above;
- (v) The material contracts referred to in Section 17.6 above;
- (vi) Valuation letters as included herein;

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- (vii) Valuation reports;
- (viii) The writ or such other relevant documents pertaining to the material litigation referred to Section 17.5 above;
- (ix) The audited accounts of NVMC, NIRD, NIRG, NIRJ, NIRL and NIR for the three (3) financial years ended 30 June 1997, 18 months ended 31 December 1998 and financial year ended 31 December 1999;
- (x) The audited accounts of NIRM for the 18 months ended 30 June 1995, two (2) financial years ended 30 June 1997, 18 months ended 31 December 1998 and financial year ended 31 December 1999;
- (xi) The audited accounts of NIRS for the period from 22 November 1995 (date of incorporation) to 31 December 1996, 18 months ended 30 June 1998 and 18 months ended 31 December 1999;
- (xii) The audited accounts of NIRK for the period from 14 June 1996 (date of incorporation) to 30 June 1997, 18 months ended 31 December 1998 and financial year ended 31 December 1999;
- (xiii) The audited accounts of PS for the period from 16 October 1995 (date of incorporation) to 30 June 1996, financial year ended 30 June 1997, 18 months ended 31 December 1998 and financial year ended 31 December 1999;
- (xiv) The audited accounts of RD for the period from 11 August 1995 (date of incorporation) to 30 June 1996, financial year ended 30 June 1997, 18 months ended 31 December 1998 and financial year ended 31 December 1999;
- (xv) The audited accounts of GJ for the period from 10 August 1995 (date of incorporation) to 30 September 1996, 9 months ended 30 June 1997, 18 months ended 31 December 1998 and financial year ended 31 December 1999;
- (xvi) The audited accounts of IT for the period from 27 February 1997 (date of incorporation) to 30 June 1998 and 18 months ended 31 December 1999;
- (xvii) The audited accounts of MC for the period from 17 October 1995 (date of incorporation) to 31 December 1996 and three (3) financial years ended 31 December 1999;
- (xviii) The audited accounts of IV for the period from 16 October 1998 (date of incorporation) to 31 December 1999;
- (xix) The audited accounts of IS for the period from 30 September 1995 (date of incorporation) to 31 December 1996 and three (3) financial years ended 31 December 1999;
- (xx) The audited accounts of NVC for the period from 27 October 1997 (date of incorporation) to 31 December 1998 and financial year ended 31 December 1999;
- (xxi) The audited accounts of NVCS for the period from 12 September 1998 (date of incorporation) to 31 December 1999;
- (xxii) The audited accounts of AD for the past four (4) financial years ended 30 June 1998 and 18 months ended 31 December 1999;

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**17. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- (xxiii) The audited accounts of PA for the past five (5) financial years ended 31 December 1999;
- (xxiv) The audited accounts of NVA for the period from 27 April 1995 (date of incorporation) to 30 April 1996, two (2) financial years ended 30 April 1998, 8 months ended 31 December 1998 and the financial year ended 31 December 1999; and
- (xxv) The audited accounts of PJMC for the past four (4) financial years ended 30 September 1998 and 15 months ended 31 December 1999.

**17.9 Responsibility**

- (i) CIMB acknowledges that to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Public Issue and the Company and its subsidiaries, and are satisfied that the consolidated profit forecast (for which the Directors are solely responsible) have been stated by the Directors after due and careful inquiry.
- (ii) This Prospectus has been seen and approved by the Directors of NVMC and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.