

## 15. STATUTORY AND OTHER GENERAL INFORMATION

### 15.1 Share Capital

- (i) No Shares will be allotted or sold on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (ii) As at the date of this Prospectus there is only one class of shares in the Company, namely Shares, all of which rank *pari passu* with one another and have been fully paid-up.
- (iii) Save for the 12,500,000 Shares reserved for the eligible employees, Directors and business associates of the Group as disclosed in Section 2.5.1 of this Prospectus, no other person has been or is entitled to be given an option to subscribe for or purchase any shares, stocks or debentures of the Group. Save for the above, there are no other schemes involving the employees of the Group in the shares of the Company.
- (iv) Save for the 112,500,000 Shares that are under moratorium as disclosed in Section 2.9 of this Prospectus, there are no restrictions on the transfer of the Shares of the Company, except as otherwise required by law.
- (v) Save as disclosed in Section 5.5 of this Prospectus, no Shares, stocks or debentures in the Company or its subsidiaries or associated company have been issued or are proposed to be issued as partly or fully paid-up in cash or otherwise than in cash within the two (2) years preceding the date of this Prospectus.
- (vi) None of the capital of Naim or any of its subsidiaries or associated company is under any options or agreed conditionally or unconditionally to be put under any options.
- (vii) No Shares, stocks or debentures in the Company or its subsidiaries or associated company have been offered or are proposed to be offered by way of rights or allotted to the existing shareholders of Naim on a pro-rata basis.

### 15.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association which has been approved by the KLSE.

#### (i) *Transfer of Securities*

The provisions in the Company's Articles of Association in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows:-

#### Article

- |    |  |                                       |
|----|--|---------------------------------------|
| 30 | The transfer of any listed securities or class of listed 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 of the Central Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to sub-section 107C(2) of the Act and any exemption that may be made from compliance with sub-section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities. | <i>Transfer of securities</i>         |
| 31 | Subject to these Articles, the Rules, the Central Depositories Act, the Exchange Listing Requirements and Rules of the Exchange, any member may transfer all or any of his shares by instrument in writing in the form prescribed and approved by the Exchange, the Act, and/or the Central Depositories Act as the case may be.   | <i>Form of instrument of transfer</i> |

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Article**

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|-----------|---|-------------------------------------|
| <b>32</b> | The Central Depository may in its absolute discretion refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules.   | <i>Refusal to register transfer</i> |
| <b>33</b> | The transfers books and the Record of Depositors and debentures holders may be closed for such period as the Directors think fit PROVIDED THAT it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. Such notice shall state the books closing date, which shall be at least twelve (12) market days after the date of notification to the Exchange. The transfer books and Record of Depositors may be closed for the purpose of determining persons entitled to dividends, interest, or new securities, or rights to a priority of application for issued of securities. The Company shall request the Central Depository in accordance with the Rules to issue a Record of Depositors as at a date not less than three (3) market days before the occurrence of the related event. | <i>Fixing of Book Closing Date</i>  |
| <b>34</b> | Subject to the provisions of these Articles, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.  | <i>Renunciation</i>                 |

**(ii) Remuneration of Directors**

The provisions in the Company's Articles of Association in respect of remuneration of the Directors are as follows:-

**Article**

- |           |  |                                |
|-----------|--|--------------------------------|
| <b>94</b> | 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>Directors' remuneration</i> |
| (a)       | 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;  |                                |
| (b)       | 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;                      |                                |

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Article**

- 94** (c) 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. Any Director holding office for a part of a year shall be entitled to a proportionate part of such fee;
- (d) any fees paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.
- 95** (a) 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 meetings of the Directors or any committee of the Directors of the Company. *Reimbursement of expenses*
- (b) If any Director being willing shall be called upon to perform extra services or to make any special efforts 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 provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such remuneration may be either in addition to or in substitution for his share in the remuneration from time to time provided for the Directors.

**(iii) Voting and Borrowing Powers of Directors**

The provisions in the Company's Articles of Association dealing with voting and borrowing powers of the Directors in proposals, arrangements or contracts in which they are interested in their borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:-

**Article**

- 97** The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting subject nevertheless, to any of these Articles, to the provisions of the Act, and to such regulations, not being inconsistent with these Articles or the provisions of the Act, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. *General power of Directors to manage Company's business*

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**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**


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**Article**

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|------------|--|--|
| <b>98</b>  | The Directors shall not without the prior approval of the Company in general meeting:-   | <i>Limitations on Directors' powers</i>                        |
| (a)        | carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's main undertaking or property;  | <i>Acquisition and disposal of substantial undertaking</i>     |
| (b)        | exercise any power of the Company to issue shares unless otherwise permitted under the Act;  | <i>Issue of shares</i>   |
| (c)        | subject to Sections 132E and 132F of the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director, to acquire from or dispose to such a Director or person, any non-cash assets of the requisite value;  | <i>Transaction with a Director</i>                             |
| (d)        | issue warrants on such terms and subject to such conditions which may be resolved upon by the Directors which confers a right to registered holder of warrant to subscribe equity of the Company.  | <i>Issue warrants</i>  |
| <b>99</b>  | (a) The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property or assets of the Company (both present and future) including its 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 any related company as may be thought fit.   | <i>Directors' borrowing powers and conditions</i>              |
| (b)        | The Directors shall not borrow any money or mortgage or charge any of the Company's or its 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.   | <i>Directors not to borrow money for unrelated third party</i> |
| <b>100</b> | The Directors may establish or arrange any contributory or non-contributory pension or superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such persons as aforesaid and make payments for or towards any hospital or scholastic expenses and any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in general meeting. | <i>Power to maintain pension fund</i>                          |

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

<b>Article</b>		
<b>101</b>	The Directors may exercise all the powers of the Company conferred by the Act in relation to any official seal for use outside Malaysia and in relation to branch registers.	<i>Power to use official seal</i>
<b>102</b>	The Directors may from time to time by power of attorney under the Seal, appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney/attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.	<i>Appointment of attorneys</i>
<b>103</b>	All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be in such manner as the Directors may from time to time by resolution determine.	<i>Signing of cheques etc.</i>
<b>104</b>	A Director shall at all time act honestly and use reasonable diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.	<i>Discharge of duties</i>
<b>105</b>	Every Director shall give notice to the Company of such events and matters relating to himself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.	<i>Notice of disclosures</i>
<b>106</b>	Subject always to Sections 131, 132E, 132F and 132G of the Act, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.	<i>Power of Directors to hold offices of profit and to contract with Company</i>

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Article**

- 107** Any Director may act by himself or his firm in a professional capacity for the Company and he and his firm shall be entitled to remuneration for his or his firm's 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 terms. *Director may act in his professional capacity*

**(iv) Changes in Capital or Variation of Class Rights**

The provision in the Company's Articles of Association as to the changes in capital or variation of class rights, which are as stringent as those provided in the Act are as follows:-

**Article**

- 55** The Company may by ordinary resolution:- *Power to alter capital*
- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
  - (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (c) Sub-divide its existing share capital 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 the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such subdivision 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;
  - (d) 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.
- 56** 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. *Power to reduce capital*
- 57** (a) The Company shall have the power, subject to and in accordance with the provisions of the Act and/or any rules, regulations, guidelines, requirements and/or orders thereunder issued by the Exchange and any other relevant authorities in respect thereof for the time being in force to purchase its own shares and thereafter to deal with its own shares. *Share buy back*

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Article**

- (b) Subject to the provisions of the Act and any regulations made thereunder and to any rights previously conferred on the holders of any class of shares and to any requirements imposed by the Exchange in respect of securities admitted to listing, and any rules or guidelines of any relevant authorities, the Company may purchase any of its own shares of any class, including any redeemable shares. Neither the Company nor the Directors shall be required to select the shares to be purchases rateable or in any particular manner as between them and the holders of the same class or as between them and the holders of shares of any other class or in accordance with rights as to dividends or capital by any class of the shares.

**15.3 Directors and Substantial Shareholders**

- (i) The names, addresses and occupations of the Directors of Naim are set out in the "Corporate Information" section of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) The Substantial Shareholders of Naim and their respective direct interests based on the Register of Substantial Shareholders of Naim as at 31 July 2003 (being the latest practicable date prior to the printing of this Prospectus) and their respective indirect interests before and after the IPO are as follows:-

Promoters	Nationality/ Place of Incorporation	Shareholding Before IPO				Shareholding After IPO *			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Abdul Hamed Sepawi	Malaysian	20,331,900	9.99	60,995,700 <sup>a</sup>	29.98	18,881,900	7.55	55,595,700 <sup>a</sup>	22.24
Datuk Hasmi Bin Hasnan	Malaysian	30,497,850	14.99	81,327,600 <sup>b</sup>	39.98	28,047,850	11.22	74,127,600 <sup>b</sup>	29.65
William Wei How Sieng	Malaysian	-	-	10,165,950 <sup>c</sup>	5.00	300,000	0.12	9,265,950 <sup>c</sup>	3.71
Lembah	Malaysia	40,663,800	19.99	-	-	37,063,800	14.83	-	-
Island Harvests	Malaysia	40,663,800	19.99	-	-	37,063,800	14.83	-	-
Lambaian	Malaysia	30,497,850	14.99	-	-	27,797,850	11.12	-	-
Tapak	Malaysia	20,331,900	9.99	-	-	18,531,900	7.42	-	-
HWS	Malaysia	10,165,950	5.00	-	-	9,265,950	3.71	-	-
HAM	Malaysia	10,165,950	5.00	-	-	9,265,950	3.71	-	-
<b>Total</b>		<b>203,319,000</b>	<b>99.94</b>			<b>186,219,000</b>	<b>74.51</b>		

**Notes:-**

- a* deemed interested by virtue of his Substantial Shareholding in Lembah and Tapak
- b* deemed interested by virtue of his Substantial Shareholding in Island Harvests, Lambaian and HAM
- c* deemed interested by virtue of his Substantial Shareholding in HWS
- \* assuming the directors fully subscribe for their full allocations under the pink form allocations

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (iv) The Directors of Naim and their respective direct interests based on the Register of Directors' Shareholdings as at 31 July 2003 (being the latest practicable date prior to the printing of this Prospectus) and their respective indirect interests before and after the IPO are as follows:-

Directors	Designation	Shareholding Before IPO				Shareholding After IPO *			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Abdul Hamed Sepawi	Chairman	20,331,900	9.99	60,995,700 <sup>a</sup>	29.98	18,881,900	7.55	55,595,700 <sup>a</sup>	22.24
Datuk Hasmi Bin Hasnan	Managing Director	30,497,850	14.99	81,327,600 <sup>b</sup>	39.98	28,047,850	11.22	74,127,600 <sup>b</sup>	29.65
Ir. Suyanto Bin Osman	Executive Director	-	-	-	-	250,000	0.10	-	-
William Wei How Sieng	Executive Director	-	-	10,165,950 <sup>c</sup>	5.00	300,000	0.12	9,265,950 <sup>c</sup>	3.71
Kuch Hoi Chuang	Executive Director	-	-	-	-	300,000	0.12	-	-
Abang Hasni Bin Abang Hasnan	Executive Director	-	-	-	-	250,000	0.10	-	-
YB Tuan Haji Hamden Bin Haji Ahmad	Independent Non-Executive Director	-	-	-	-	100,000	0.04	-	-
Ir. Abang Jemat Bin Abang Bujang	Independent Non-Executive Director	-	-	-	-	100,000	0.04	-	-
Dr. Sharifuddin Bin Abdul Wahab	Independent Non-Executive Director	-	-	-	-	100,000	0.04	-	-

**Notes:-**

- a* deemed interested by virtue of his Substantial Shareholding in Lembah and Tapak  
*b* deemed interested by virtue of his Substantial Shareholding in Island Harvests, Lambaian and HAM  
*c* deemed interested by virtue of his Substantial Shareholding in HWS  
 \* assuming the directors fully subscribe for their full allocations under the pink form allocations

- (v) Save as disclosed in paragraph Section 2.7 of this Prospectus, no commission, discounts, brokerages or other special terms have been paid, granted or are payable by the Company or its subsidiaries within the two (2) years immediately preceding the date 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 or its subsidiaries or in connection with the issue or sale of any capital of the Company or any of its subsidiaries and no Directors, proposed Directors, promoters or experts is or are entitled to receive any such payment.
- (vi) Other than salary and employment related benefits as disclosed in Section 6.2.5 of this Prospectus, no amount or benefit has been paid or given within the two (2) years immediately preceding the date hereof, nor is it intended to be so paid or given, to any Promoter.
- (vii) Save as disclosed in Section 10.1 of this Prospectus, none of the other Directors and/or Substantial Shareholders of Naim has interest in any subsisting contract or arrangement, which is significant to the business of the Naim Group, as at the date of this Prospectus.



**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (viii) Save as disclosed in Section 3.12 of this Prospectus, the Directors and Substantial Shareholders are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over the Company and its subsidiaries.
- (ix) Save as disclosed below, none of the other Directors and Substantial Shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or any of its subsidiaries and associated company within the two (2) years preceding the date of this Prospectus :-

*Acquisition of NCSB*

On 27 August 2002, Naim entered into an conditional Sale and Purchase Agreement of Shares with the vendors of NCSB for the acquisition of the entire issued and paid-up share capital of NCSB comprising 1,000,000 Shares, for a purchase consideration of RM279,961,920 satisfied by the issuance of 203,319,000 new Naim Shares at an issue price of approximately RM1.38 per Share. Details of the Acquisition of NCSB are set out in Section 5.3.1 of this Prospectus.

Details of the interested party and the nature of interest in the aforesaid transaction are as follows:-

<b>Name</b>	<b>Interest in Naim</b>	<b>Nature of interest in NCSB</b>
Datuk Abdul Hamed Sepawi	Chairman and Substantial Shareholder	Promoter, Chairman and Substantial Shareholder
Datuk Hasmi Bin Hasnan	Managing Director and Substantial Shareholder	Promoter, Managing Director and Substantial Shareholder
Lambaian	Substantial Shareholder	Promoter, Substantial Shareholder
Island Harvests	Substantial Shareholder	Promoter, Substantial Shareholder
Lembah	Substantial Shareholder	Promoter, Substantial Shareholder
Tapak	Substantial Shareholder	Promoter, Substantial Shareholder
HWS	Substantial Shareholder	Promoter and shareholder
HAM	Substantial Shareholder	Promoter and shareholder

- (x) Save as disclosed in Section 10.2 of this Prospectus and to the best knowledge and belief of the Promoters, Directors and Substantial Shareholders of Naim, none of the other Promoters, Directors and/or Substantial Shareholders has any interest, direct or indirect, in any business carrying on a similar trade as the Company and its subsidiaries and associated company.

**15.4 General**

- (i) The nature of the Group's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Act are disclosed in Section 5.5 of this Prospectus.
- (ii) The time of the opening of the Application is set out in Section 16.1 of this Prospectus.
- (iii) The amount payable in full on application is RM1.30 per Share.
- (iv) The Naim Group has not established a place of business outside Malaysia.

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (v) Except as disclosed in Section 3 of this Prospectus, the Directors are not aware of any other material information including trading factors or risks not mentioned elsewhere in this Prospectus which are unlikely to be known or anticipated by the general public and which would materially affect the profits of the Group.
- (vi) As at the date of this Prospectus, the Group have not issued any convertible debt securities.
- (vii) The name and address of the Auditors and Reporting Accountants of the Company are as set out in "Corporate Information" section of this Prospectus.
- (viii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 16 of this Prospectus.
- (ix) Save as disclosed in Section 1.10 and Section 2.6 on the proposed utilisation of proceeds from the Public Issue, no property has been acquired or is proposed to be acquired by the Company or its subsidiaries in contemplation of the Public Issue.
- (x) Save as disclosed in Section 1.7 and Section 2.4 of this Prospectus, there is no present intention on the part of the Directors of the Company and its subsidiaries to issue any part of the authorised but unissued share capital of the Company and its subsidiaries.

**15.5 Material Contracts**

Save as disclosed hereunder, 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 and associated company within the two (2) years immediately preceding the date of this Prospectus:-

- (i) A Loan Agreement dated 2<sup>nd</sup> February 1996, together with three Supplemental Loan Agreements dated 14<sup>th</sup> January 1998, 14<sup>th</sup> June 1999, and 18<sup>th</sup> June 2001, by which Bumiputra-Commerce Bank Berhad has extended to TRSB an overdraft facility to the limit of RM30,000,000.00. The facility will expire on the 31<sup>st</sup> December 2004, and is subject to progressive reduction of 10% of each progress payment received from the Sarawak Housing and Development Commission in respect of TRSB's Tudan housing project. The current interest rate is 1.5% above the Bank's BLR. The facility is secured by a charge over Lot 4271 Block 10 Kuala Baram Land District, a parcel of land owned by NCSB, and this charge is registered as Charge No. 11 in NCSB's Register of Charges. It is also secured by a Deed of Assignment over TRSB's Turnkey Contract Agreement dated 30<sup>th</sup> June 1995, a Guarantee and Indemnity by the TRSB's directors, Datuk Hasmi bin Hasnan and Sia Hiong Ngee, and a Power of Attorney Instrument No. L1742/1996 executed over Lots 4280 and 4271, both of Block 10, Kuala Baram Land Registry. The purpose of the funds secured is to provide funding for TRSB's Tudan housing project.
- (ii) A Facility Agreement dated 19 July 2000 and a Restructuring Agreement dated 13 June 2001 with Bumiputra-Commerce Bank Berhad for a revolving credit facility of RM5,000,000, a bank guarantee of RM10,000,000 and an overdraft facility of RM10,000,000. The bank guarantee is subject to a yearly review, and the overdraft facility is for a term of 60 months, the limit of which is being reduced progressively by RM1,000,000 every 6 months. The current interest rate is 1% above the Bank's BLR. The facilities are secured by a 1<sup>st</sup> legal charge over Lot 772, Block 13, KBLD and a Guarantee by NCSB's director, Datuk Hasmi Bin Hasnan. The purpose of the funds secured is to finance the construction and development of Bandar Baru Permyjaya in Miri, Sarawak. NCSB has covenanted with Bumiputra-Commerce Bank Berhad to notify it in writing of any changes in the composition of either it's board of directors and shareholders. A failure to do so may constitute an event of default;

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**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (iii) A Al-Istisna' Bridging Finance Facility with a limit of RM8,000,000 from Bank Muamalat Malaysia Berhad as evidenced from a Letter of Offer dated 15 August 2000 and two (2) supplementary letters of offer dated 23 September 2000 and 9 November 2000. The purpose of the facility is to provide additional working capital for the Bandar Baru Permyjaya project in Miri. The facility is secured by a 1<sup>st</sup> legal charge over Provisional Lease Lot No.4285, Block 10, KBLD and the Guarantee of Datuk Hasmi Bin Hasnan. The tenure of the facility is 5½ years and it is to be repaid by way of redemption/sales collection from house buyers at the rate of 15% per unit. The selling price of the Bank of the project is RM11,960,000 as varied by the supplementary letter of offer dated 23 September 2000. The principal covenants of the Letter of Offer include a negative covenant by NCSB not to change its Memorandum and Articles without the prior written consent of the Bank;
- (iv) A General Facility Agreement dated 18 July 2002 between NCITRA and Bumiputra-Commerce Bank Berhad for a total facility of RM8,000,000.00. This facility is divided into an overdraft facility of RM1,000,000.00, a multi-option line comprising letter of credit, trust receipt and bankers acceptance with a combined limit of RM1,500,000.00, a performance guarantee of RM1,500,000.00 and an advance payment guarantee of RM4,000,000.00. The facility is available for a period of 24 months. The facility is jointly and severally guaranteed by 2 of NCITRA's directors, namely Samat bin Othman and Zailani bin Ismail. NCITRA has covenanted with Bumiputra-Commerce Bank Berhad that there will be no changes in shareholding of the company without prior consent from the bank. A failure to do so may constitute an event of default;
- (v) On 27 August 2002, Naim entered into an conditional Sale and Purchase Agreement of Shares with the vendors of NCSB for the acquisition of the entire issued and paid-up share capital of NCSB comprising 1,000,000 Shares, for a purchase consideration of RM279,961,920 satisfied by the issuance of 203,319,000 new Naim Shares at an issue price of approximately RM1.38 per Share. Details of the transaction are set out in Section 5.3.1 and Section 15.3 (ix) of this Prospectus;
- (vi) Letter of Acceptance for the increase in Bank Guarantee facility from RM15.0 million to RM25.0 million (Advance Payment Guarantee Sublimit of RM4.5 million) offered by AmMerchant Bank Berhad to NCSB dated 7 April 2003. Other letters of offer evidencing the facility are as dated 28 May 2001. The total value of the guarantee(s) to be issued under the facility shall not exceed a maximum aggregate principal amount of Ringgit Malaysia Twenty Five Million (RM25.0 million) only at any one time provided always that the issuance of the Advance Payment Guarantee(s) shall be limited to a maximum aggregate principal amount of Ringgit Malaysia Four Million Five Hundred Thousand (RM4.5 million) only. The facility shall be secured by way of a Memorandum of Deposit over Fixed Deposit Receipt(s) placed with financial institution(s) acceptable to the Bank. The guarantee issued shall be for a maximum tenure of up to five (5) years from the effective date of the guarantee. The Guarantee Fee payable under the facility shall be 1.0% per annum in respect of Performance Bond and Tender Bond and 1.25% per annum in respect of Advance Payment Guarantee; and
- (vii) An Underwriting Agreement dated the 28 July 2003 between Naim, AmMerchant Bank, AmSecurities Sdn Bhd, BBMB Securities Sdn Bhd and OSK Securities Berhad for the underwriting of the 3,800,000 public issue shares to be offered to the Malaysian Public and the 5,712,000 public issue shares to be offered to eligible employees of the Naim Group. Underwriting commission is payable by Naim at the rates of 2%, together with a brokerage fee of 1% in respect of certain successful applications. The terms of this agreement are more fully described at section 2.7 of this prospectus.

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**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****15.6 Material Agreements**

Save as below, there is no other material agreements entered into by the Company and its subsidiaries and associated company as at the date of this Prospectus:-

- (i) Turnkey Contract dated 30 June 1995 between TRSB and the Sarawak Housing and Development Commission (the "Commission") in respect of Low Cost and Medium Cost Housing in Bandar Baru Tudan, Miri ("The Tudan Public Housing Scheme"), First Supplementary Turnkey Agreement dated 12 December 1997, Second Supplementary Turnkey Agreement dated 12 December 1997, Supplementary Agreement (Replacement Scheme) dated 28 November 2000 and Supplementary Agreement (Replacement Scheme, Phase 4) dated 28 November 2000 whereby TRSB undertake the construction of medium low cost terrace (semi-detached & detached houses and double storey Shophouses on Lots 4282, 4283, 4284 (part only), 4285 and 5451 all of Block 10 KBLD.  
  
The construction is being undertaken on a turnkey/unit-sharing basis. The total contract sum for works carried out on a turnkey basis under the Turnkey Agreement is RM355,838,000 payable upon completion of the various specified phases of works. The Turnkey Agreement can be determined by the Commission upon default by TRSB in carrying out the agreed works or in the event of TRSB being wound up;
- (ii) Contractor Agreement dated 9 October 2001 between NCSB and Trans Resources Corporation Sdn Bhd for the upgrading or works on part of Jalan Sibul-Bintulu from Kemena Industrial District to the junction of Jalan Tanjung Kidurong to Bintulu Port for a contract sum of RM23,050,000;
- (iii) Turnkey Agreement dated 11 April 2001 between NCSB and the Government of Malaysia for the design, construction and completion of :-  
a. Proposed Sekolah Rendah Kebangsaan Merbau for RM11,177,990.30 ; and  
b. Proposed Sekolah Menengah Kebangsaan Merbau for RM36,584,075.05;
- (iv) Contract No. PW/HO/B061/2001 dated 22 May 2001 between the Government of Malaysia and the Konsortium Javel Engineering Sdn Bhd – Naim Cendera Sdn Bhd for the construction and completion of the Proposed Kolej Sains Kesihatan Bersekutu Negeri Sarawak with a contract sum of RM70,751,241.71;
- (v) Turnkey Agreement dated 8 August 2001 between DISB and the Sarawak Housing and Development Commission for the development of 500 units of 3-bedroom low-cost double storey terrace houses on part of Lot 2267 and Lots 2286, 2287, 2288 Block 1 SLD at a total contract sum of RM25,362,000;
- (vi) Joint Venture Agreement dated 22 August 2001 between NCSB and Javel Engineering Sdn Bhd to undertake the construction and completion of a college for health science in Kuching for the Public Works Department for a total contract sum of RM70,751,241.71 pursuant to the agreement dated 22 May 2001 as set out in item (iv) above;
- (vii) Agreement dated 15 August 2001 between NCSB and Chung Jee Kong Construction Sdn Bhd for the construction of part of a school in Miri for RM10,409,600;
- (viii) Joint Venture Agreement dated 5 October 2001 between NCSB and Cita Tenaga Resources Sdn Bhd to undertake the implementation of "Projek Bekalan Air Luar Bandar (BALB) Tahun 2001/2002" in Sarawak for the Ministry of Rural Development Malaysia for a total contract sum of RM10,700,000.00 and RM13,500,000.00 respectively pursuant to the agreements dated 5 October 2001 and 29 June 2002 respectively as set out in item (xviii) and (xix) below respectively;
- (ix) Agreement dated 15 October 2001 between DISB and Land Custody And Development Authority for the alienation of 41 parcels of land at a total sum of RM5,890,292;

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (x) Design and Build Negotiated Contract dated 24 November 2001 between NCSB and the Government of Malaysia for the upgrading works on Jalan Sibul-Bintulu from Kemena Industrial Land District to the junction of Jalan Tanjung Kidurong and Bintulu Port for a total CV of RM73,002,643.75;
- (xi) Contract Agreement dated 24 November 2001 between NCSB and the Government of Sarawak for the construction and completion of Proposed Balingian/ Kampung Balingian/ Kampung Tatau/ Bintulu Road, Sibul Division, Sarawak for RM21,498,000;
- (xii) Letter of Acceptance dated 12 November 2002 from Jabatan Kerja Raya, Sarawak on behalf of Government of Sarawak to NCSB for the construction and completion of the proposed Go-Kart Racing Track and associated works in Miri, Sarawak for a total contract sum of RM13,459,630.00;
- (xiii) Letter of Acceptance dated 8 January 2003 from NCSB to Trans Resources Corporation Sdn Bhd for the upgrading works on Jalan Sibul-Bintulu from Kawasan Perindustrian Kemena to Lapangan Terbang Baru Bintulu, Sarawak for a sum of RM16,980,000.00;
- (xiv) Letter of Acceptance dated 10 February 2003 from NCSB to Teh Goh Yap Construction Sdn Bhd for the construction and completion of the proposed bridge over Batang Kemena, Bintulu, Sarawak for a sum of RM30,950,000;
- (xv) Contract Agreement dated 29 March 2003 between the Government of Malaysia and NCSB for the upgrading of works on Jalan Sibul-Bintulu from Kemena Industrial District to Bintulu New Airport for a total contract sum of RM96,150,000;
- (xvi) Letter of Acceptance dated 5 March 2002 from NCSB to Trans Resources Corporation Sdn Bhd for the construction and completion of drainage work for Section I of the proposed menaiktaraf Jalan Sibul-Bintulu dari Kawasan Perindustrian Kemena ke Persimpangan Jalan Tanjung Kidurong ke Pelabuhan Bintulu for a sum of RM6,000,000;
- (xvii) Award of contract dated 3 April 2003 from DISB to Gee Construction Engineering Sdn Bhd for the construction and completion of the proposed 260 units of double storey medium low cost terrace house at Phase 8 on Lot 2638 & 3149, Block 1, Desa Ilmu, SLD, Sarawak at a sum of RM8,665,845.62;
- (xviii) Letter of Acceptance dated 5 October 2001 from the Government of Malaysia to NCSB and Cita Tenaga Resources Sdn Bhd for the construction and completion of "Projek Bekalan Air Luar Bandar Secara Konsep Bersepadu Negeri Sarawak 2001/2002" for a sum of RM10,700,000; and
- (xix) Letter of Acceptance dated 29 June 2002 from the Government of Malaysia to NCSB and Cita Tenaga Resources Sdn Bhd for the construction and completion of "Projek Bekalan Air Luar Bandar Secara Konsep Bersepadu Negeri Sarawak 2001/2002" for a sum of RM13,500,000.

**15.7 Public Take-Overs**

During the last financial year and the current financial year, there were:-

- (i) No public take-over offers by third parties in respect of the Company's Shares.
- (ii) No public take-over offers by the Company in respect of other companies' Shares.

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****15.8 Material Litigation**

As at 31 July 2003, Naim Group is not engaged either as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Naim Group 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 Naim and its subsidiaries.

**15.9 Consents**

- (i) The written consents of the Adviser, Managing Underwriter and Placement Agent, Market Researcher, Underwriters, Solicitors, Valuers, Company Secretaries, Principal Bankers, Registrars and Issuing House to the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus 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 name, Accountants' Report and their letters relating to the profit forecast for the financial year ending 31 December 2003 and the Proforma Consolidated Balance Sheets as at 31 March 2003 in the form and context 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 from the Valuer for the inclusion in this Prospectus of their name and their Valuation Certificate in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

**15.10 Documents for Inspection**

Copies of the following documents may be inspected at the registered office of the Company during office hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of Naim and its subsidiaries and associated company;
- (ii) Directors' Report and Accountants' Report as included in Section 12 and 14 of this Prospectus respectively;
- (iii) Reporting Accountants' letters relating to the profit forecast for the financial year ending 31 December 2003 and Proforma Consolidated Balance Sheets as at 31 March 2003 referred to in Section 11.5 and 11.9 of this Prospectus respectively;
- (iv) Valuation Certificate and valuation reports referred to in Section 13 of this Prospectus;
- (v) The material contracts referred to in Section 15.5 of this Prospectus;
- (vi) The material agreements referred to in Section 15.6 of this Prospectus;
- (vii) The letters of consent referred to in Section 15.9 of this Prospectus;
- (ix) The Market Study of The Sarawak Property Market prepared by C H Williams Talhar Wong & Yeo Sdn Bhd dated 26 May 2003;
- (x) Audited accounts of Naim for the six (6) months period ended 31 December 2002 and the three (3) months period ended 31 March 2003;
- (xi) Audited accounts of NCSB, DISB, TRSB, TRE, NC2SB, TRB, TRG, NCOMSB, NHSB, NRSB, NMSB and TRC for the past five (5) financial years ended 31 December 2002 and the three (3) months period ended 31 March 2003;

**15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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- (xii) Audited accounts of NCITRA for the three (3) months period ended 31 December 2001, the financial year ended 31 December 2002 and the three (3) months period ended 31 March 2003;
- (xiii) Audited accounts of TRSP for the eight (8) months period ended 31 December 1999, the three (3) financial years ended 31 December 2002 and the three (3) months period ended 31 March 2003;
- (xiv) Audited accounts of NC7SB and NC8SB for the seven (7) months period ended 31 December 2000, the two (2) financial years ended 31 December 2002 and the three (3) months period ended 31 March 2003;
- (xv) Audited accounts of DWSB for the six (6) months period ended 31 December 2000, the past two (2) financial years ended 31 December 2002 and the three (3) months period ended 31 March 2003;
- (xvi) Audited accounts of KMSB for the ten (10) months period ended 31 December 2000, the past two (2) financial years ended 31 December 2002 and the three (3) months period ended 31 March 2003; and
- (xvii) Audited accounts of YJSB for the six (6) months period ended 31 December 2002 and the three (3) months period ended 31 March 2003.

**15.11 Responsibility**

- (i) AmMerchant Bank, being the Adviser and Managing Underwriter, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO and is satisfied that the profit forecast (for which the Directors of Naim are fully responsible), prepared for inclusion in the Prospectus has been stated by the Directors after due and careful enquiry and has been duly reviewed by the Reporting Accountants.
- (ii) This Prospectus has been seen and approved by the Directors and Promoters of the Company and the Offerors and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, and to the best of their knowledge and belief there are no false or misleading statements or other facts the omission of which would make any statements herein false or misleading. The Directors hereby accept full responsibility for the profit forecast included in this Prospectus and confirm that the profit forecast has been prepared based on assumptions made.

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