

# Courts mammoth



**ASSIGN  
BUSTER**

Courts Mammoth BerhadThe company was incorporated in Malaysia under the Companies Act, 1965 on 23 July 1986 as a private limited company in the name of Courts Furnishers (Malaysia) Sdn. Bhd.

On 30 June 1997, the company changed its name to Courts Mammoth Sdn. Bhd. It was subsequently converted into a public company and assumed its present name, Courts Mammoth Berhad on 1 July 1997. The principal activity of the company is the retailing of electronic and electrical appliances and household furniture and furnishings.

The company does not have any subsidiary or associated company. The key management team of Courts comprises people with proven capabilities and experience in their respective fields of retail operations, finance, marketing, credit control and management. They have contributed significantly to Courts??™ success. Courts also stated the investment considerations which applicants for the New Shares should carefully consider, in addition to other information contained elsewhere in this Prospectus, before applying for the New Shares. It contains ten considerations. First, political and economic factors which the Company??™s growth and level of profitability may depend to some degree on future economic developments in Malaysia. Second, no prior market for Courts??™ shares.

There can be no assurance that an active market for Courts??™ shares will develop upon its listing on the Main Board of the KLSE or, if developed, that such a market will be sustained. Third, control by substantial shareholder. The major substantial shareholder, CFO, will be able to effectively control the outcome of certain matters requiring the vote of the Company??™s

shareholders, including the constitution of the Board of Directors, the direction and future operation of the company. Fourth, business risk. Courts is subject to certain risks inherent in the retailing sector and also subject to credit as a major portion of the Company's sales are made on installment basis. Although the company seeks to limit these risks, no assurance can be given that any changes to any of these factors will not have a material adverse impact on the Company's business. Fifth, competition. Courts faces and welcomes competition from various quarters, which include private and public companies in Malaysia.

No assurance is given that the Company will be able to maintain its existing market share in the future. Sixth, dependence on key personnel. Courts believes that its continued success will depend to a significant extent upon the abilities and continued efforts of its existing Directors and senior management. Seventh, reliance on CFO and possible conflict of interest. CFO or its affiliates provide guideline to the local operating management of Courts which manages the business in accordance with CFO group's policies and philosophies, agreed development plans and operating budgets.

Eighth, government policies and guidelines. The Malaysian Government does, from time to time, adopt policies and implement guidelines that might have impact on Courts' business. Ninth, profit forecast. Owing to the subjective judgements and inherent uncertainties of the forecast given that events and circumstances frequently do not occur as expected, there can be no assurance that the forecast contained herein will be achieved and actual results may be materially different from those shown. Lastly, disclosure regarding forward looking statements. This prospectus contains forward

looking statements. Any deviation of the Company's actual performance from expectations may or may not have an adverse effect on the Company's financial and business performance. The Company's business strategies have been carefully formulated to ensure that the Company maintains its competitive advantage.

In future prospects of courts, it is the aim of the Company to take its business to within easy reach of the majority of the population in Malaysia. The Company is confident that its future prospects are good, as it has carefully researched and identified areas for further expansion which will contribute to future growth of the Company to the benefit of its customers and shareholders. According to financial highlights of the Company, can conclude that summary of the audited results of Courts for the 5 financial years, its show the increase in turnover and profit after taxations due to the increase in the number of stores. In additions to the increase in the number of stores, the improvement in the number profit after taxation was also due to the stringent control by the Company of its operating costs and greater economies of scale. For the basis of arriving at the issue price, the issue price of RM2.

35 per New Share was determined and agreed upon by the Company and CIMB, as Adviser and Managing Underwriter, after taking into some considerations factors. The principal statistics relating to the public issue can be divided into share capital, issue price for each new share, proforma NTA as at the end of the certain year, profit forecast for the financial year ending for the certain year and dividend forecast for the financial year ending for certain year.