



# **NWP HOLDINGS BERHAD**

(495476-M)



**Annual Report  
2000**



# NWP HOLDINGS BERHAD

(495476-M)

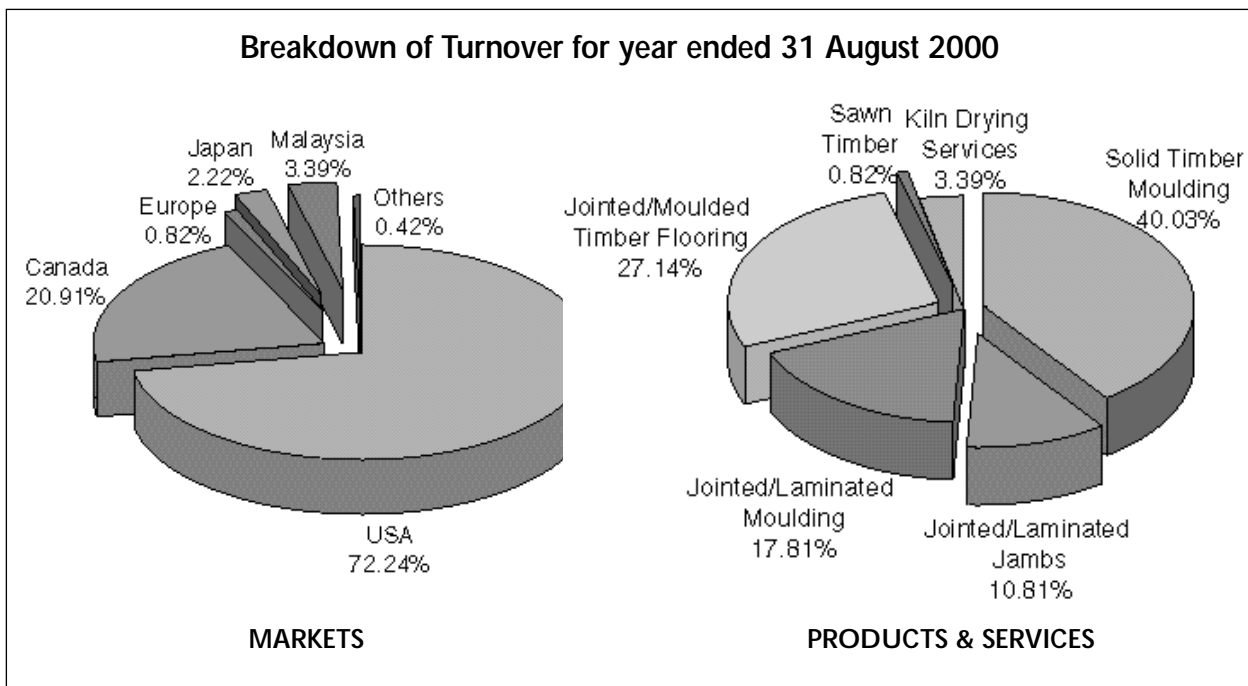
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## Group Financial Highlights

	2000 RM'000
Turnover	56,415
Profit before taxation	11,471
Profit after taxation but before extraordinary item	11,304
Extraordinary item	-
Profit after taxation and extraordinary item	11,304
Paid up capital	51,000
Shareholders' funds	67,348
Total assets	71,262
NTA per share (RM)	1.31
Gross earnings per share (RM)*	1.81
Net earnings per share (RM)*	1.78
Gross Dividend rate (%)	5

\* Based on the weighted average number of 6,344,433 ordinary shares of RM1.00 each in issue during the period.



# Notice Of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the First Annual General Meeting of the Company will be held at Tiara Delima, Hotel Singgahsana, Persiaran Barat, Off Jalan Sultan, 46760 Petaling Jaya, Selangor Darul Ehsan on Monday, 26 February 2001 at 9.00 a.m. for the following purposes: -

1. To receive and adopt the Audited Accounts of the Company for the year ended 31 August 2000 together with the Reports of the Directors and Auditors thereon. **RESOLUTION 1**
2. To re-elect the following Directors retiring in accordance with Article 77 of the Company's Articles of Association: -
  - a) Encik Majid Bin Mat Lazim **RESOLUTION 2**
  - b) Encik Mohd Zahiri Bin Dato' Haji Maulud **RESOLUTION 3**
  - c) Mr Lee Khim Sin **RESOLUTION 4**
  - d) Mr Wong See Ming **RESOLUTION 5**
3. To re-appoint Messrs. Yeap Cheng Chuan & Co. as the Company's Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 6**
4. **AS SPECIAL BUSINESS: -**  
To consider and if thought fit, to pass the following Ordinary Resolution: -  
"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, the Directors be and are hereby authorised to allot and to issue shares in the Company at any time until the conclusion of the next Annual General Meeting or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued capital of the Company for the time being" **RESOLUTION 7**
5. To transact any other ordinary business of the Company for which due notice shall have been given.

**By Order of the Board**

**LAW FOK KIONG**

Secretary

Selangor Darul Ehsan

8 February 2001

**Notes:**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. 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.
2. A member shall be entitled to appoint more than one(1) proxy to attend and vote at the meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, it must be either under its seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing the proxy must be deposited at the Registered Office of the Company at Unit 1119, 11<sup>th</sup> Floor, Block A, Damansara Intan, No.1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the Meeting or any adjournment thereof.
5. **Explanatory Note for the Special Business :-**  
The Ordinary Resolution proposed as a Special Business, if passed, will give the Directors of the Company, authority to issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider would be in the best interests of the Company. This authority, unless revoked or varied by the shareholders of the Company in General Meeting will expire the next Annual General Meeting of the Company.

# Audit Committee

## AUDIT COMMITTEE MEMBERS

Mr Lee Khim Sin	<i>Chairman (Independent Non-Executive Director)</i>
Encik Mohd. Zahiri Bin Dato' Haji Maulud	<i>Member (Independent Non-Executive Director)</i>
Mr Chang Ah Ngau	<i>Member (Managing Director)</i>

## TERMS OF REFERENCE

### COMPOSITION OF AUDIT COMMITTEE

1. The Committee shall be appointed by the Board from amongst themselves, comprising of at least three(3) directors where the majority of them should not be :-
  - i. Executive Directors of the Company or any related corporation ; or
  - ii. A spouse, parent, brother, sister, son or adopted son, daughter or adopted daughter of an executive director of the Company or any related corporation; or
  - iii. Any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of an Audit Committee.
2. The members of the Audit Committee shall elect a Chairman from amongst themselves who is not an executive director or employee of the Company or any related corporation. It would be advantageous if the Chairman possesses a strong personality, have knowledge and experience in financial reporting, good leadership skill and is keen to get financial reporting and controls right.
3. All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Audit Committee cease to be a director of the Company, his membership in the Audit Committee would cease forthwith.
4. It is desirable for membership on the Audit Committee to be rotated amongst all the Directors of the Company such that each Director will serve a period of three (3) years on the Audit Committee. If a member of the Committee shall for any reason whatsoever ceases to be a member with the result that the members be reduced to below three(3), the Board of Directors shall within three(3) months of that event, appoint such number of new members as may be required to make up the minimum number of three(3) members.

## OBJECTIVES

The primary objectives of the Audit Committee are to :-

- i. Provide assistance to the Board in fulfilling its fiduciary responsibilities particularly in the areas relating to the Company's accounting and management controls, financial reporting and business ethics policies.
- ii. Provide greater emphasis on the audit function by increasing the objectivity and independence of external and internal auditors and providing a forum for discussion that is independent of the management.

## Audit Committee *(contd)*

- iii. Maintain through regularly scheduled meetings a direct line of communication between the Board and the external, internal auditors and financial management.
- iv. Strengthening the role of non-executive directors by improving their knowledge and understanding of the Company's operation.
- v. Undertake such additional duties as may be appropriate and necessary to assist the Board.

### **DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Audit Committee shall be :-

- Review the annual audit plan with the external auditors. The Committee shall meet with the external auditors prior to the commencement of the annual audit to discuss :-
  - The general outline of the extent and timing of the auditors' proposed coverage of location such as branches, departments, factories, divisions and subsidiaries.
  - The nature of the audit procedures to be performed.
  - Any significant accounting and auditing problems that the auditors can foresee.
  - The extent of any planned reliance on the work of the internal auditors and the anticipated effect of this reliance on the examination.
  - The effect on the audit of significant data processing systems.
  - The impact on the financial statements of any new or proposed changes in accounting standards or regulatory requirements.
- Review the assistance given by the Company's Officers to the external auditors.
- To nominate the external auditors for appointment, to consider the audit fees and any questions of resignation or dismissal.
- Review the Company's and the Group's quarterly and annual financial statements before submission to the Board. The review shall focus on :-
  - Any changes in accounting policies and practices
  - Major judgemental areas
  - The going concern assumptions
  - Compliance with accounting standards
  - Compliance with Stock Exchange and legal requirements
  - Significant differences in financial results compared to last year and forecasts
  - The nature of any unusual or significant commitments or contingent liabilities
  - The nature of any significant adjustments, reclassifications, or additional disclosures proposed by the external auditors that are currently significant or may become significant in the future

## Audit Committee *(cont'd)*

- Unusual circumstances reflected in the financial statements, including identifying any marginal operations
- Evaluate the standards and effectiveness of internal control and financial reporting of the Company and the Group by reviewing the external auditors' management letters and management's response.
- Review the nature of any related party transactions that may arise within the Company or Group.
- Review profit forecasts and cash flow statements before submission to the Board.
- Act upon the Board's request to investigate and report on any issues or concerns in regard to the management of the Company.
- Review policies to avoid conflicts of interest and review past or proposed transactions between the Company and members of management.
- Such other functions as may be agreed to by the Audit Committee and the Board of Directors.

### **AUTHORITY**

The Committee is authorized by the Board to investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities. The Audit Committee is also authorized to obtain outside legal or other independent professional advice as it considers necessary.

### **MEETINGS**

The Committee shall meet at least four(4) times a year and additional meetings may be called at any time at the Chairman's discretion to consider any matter within the scope and responsibilities of the Committee.

The quorum shall consist of a majority of members who are non-executive directors. The quorum for each meeting shall be two(2) members.

The Managing Director and a representative of the external auditors shall normally attend meetings. However, the Committee may invite any person to be in attendance to assist in its deliberations.

It would be desirable that the notice of meetings be sent at least seven(7) days before the time set for the meeting together with an agenda to all members of the Committee and any persons that may be required to attend.

The Company Secretary shall be the Secretary of the Committee.

The Company Secretary shall be responsible in conjunction with the Chairman, for drawing up the agenda and circulating to all Committee members prior for each meeting. The Secretary will also be responsible for keeping the minutes of the meetings of the Committee and distribute to each member of the Committee and also the members of the Board. The Committee Chairman shall report on each meeting to the Board.

# Corporate Information

## BOARD OF DIRECTORS

<b>Encik Majid bin Mat Lazim</b>	<i>Executive Chairman</i>
<b>Mr Chang Ah Ngau</b>	<i>Managing Director</i>
<b>Mr Wong See Ming</b>	<i>Executive Director</i>
<b>Encik Mohd. Zahiri bin Dato' Haji Maulud</b>	<i>Independent Non-Executive Director</i>
<b>Mr Lee Khim Sin</b>	<i>Independent Non-Executive Director</i>

### AUDIT COMMITTEE

<b>Mr Lee Khim Sin</b> <i>Chairman (Independent Non-Executive Director)</i>
<b>Encik Mohd. Zahiri bin Dato' Haji Maulud</b> <i>Member (Independent Non-Executive Director)</i>
<b>Mr Chang Ah Ngau</b> <i>Member (Managing Director)</i>

### COMPANY SECRETARY

**Mr Law Fok Kiong**  
*(MIA 3835/PA)*

### REGISTERED OFFICE

Unit 1119, 11<sup>th</sup> Floor  
Block A, Damansara Intan,  
No. 1, Jalan SS 20/27,  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7957 3588  
Fax: 03-7957 3166

### SHARE REGISTRAR

*Signet Share Registration Services Sdn Bhd*  
11th Floor, Tower Block  
Kompleks Antarabangsa  
Jalan Sultan Ismail  
50250 Kuala Lumpur

### PRINCIPAL BANKERS

**HSBC Bank Malaysia Berhad**  
56, Jalan Gaya  
88000 Kota Kinabalu  
Sabah

**Affin Bank Berhad**  
*(formerly known as Perwira Affin Bank Berhad)*  
17th Floor, Menara Affin,  
80, Jalan Raja Chulan  
50200 Kuala Lumpur

### Malayan Banking Berhad

Ground & First Floor,  
F-65, Bangunan UMNO,  
(Lot Persimpangan Jalan)  
Jalan Tan Sri Yahya  
Off Jalan Tok Awang Ngah  
28000 Temerloh  
Pahang Darul Makmur

### AUDITORS

Yeap Cheng Chuan & Co.  
Public Accountants  
Suite 609, Block C  
Phileo Damansara 1  
9, Jalan 16/11  
Off Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-4608112  
Fax: 03-4608911

### SOLICITORS

Lee, Perara & Tan  
55, Jalan Thambapillai  
Off Jalan Tun Sambanthan  
Brickfields  
50470 Kuala Lumpur  
Tel: 03-22734307  
Fax: 03-22735176

### STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange  
Main Board

# Chairman's Statement

On behalf of the Board of Directors, I have pleasure to present to you the First Annual Report and Audited Accounts of the Group and the Company for the financial year ended 31 August 2000.

## FINANCIAL HIGHLIGHTS

I am pleased to announce that the Group has achieved a year of commendable profits. The Group recorded a turnover of RM56.4 million and a profit before tax of RM11.5 million for the financial year 2000. After accounting for taxation of RM0.2 million the net profit after tax was RM11.3 million. This increase in profit for the year was mainly due to the increase in sales of the Group's timber moulded products and effective control over the Group's operating overheads. No exceptional or extraordinary item was recorded in the financial period under review.

The Group is still enjoying pioneer status for its general moulding products under the Promotion of Investment Act, 1986 with full exemption from income tax which will expire on 30 June 2001.

There is no comparative figure for the Group as it was constituted during the year under review.

## DIVIDEND

An interim dividend of 5% (tax exempt) per share was declared and paid by the Company to shareholders on 21 August 2000 which amounted to RM2.55 million. The Board of Directors is not recommending the payment of final dividend for the financial year under review.

## CORPORATE DEVELOPMENTS

This is an eventful year for the Company. Following the approval by the Securities Commission on 14 July 2000 of the Company's restructuring exercise and listing and quotation of its entire enlarged issued and paid up share capital of RM60,000,000 made up of 60,000,000 ordinary shares of RM1.00 each on the Main Board of the Kuala Lumpur Stock Exchange, the Company acquired the entire equity interest in NWP comprising 2,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM53,634,714, satisfied wholly by the issuance of 46,034,714 new ordinary shares of RM1.00 each in the Company, credited as fully paid-up, at an issue price of approximately RM1.165 per new share of the Company making NWP a wholly owned subsidiary of the Company which is predominantly engaged in manufacturing and selling of moulded timber products, provision of timber treatment and klin-drying services.

Subsequent to the financial year end and prior to the initial public offering of the Company's shares, the Company implemented a rights issue of 4,965,284 new ordinary shares of RM1.00 each at par value. Upon completion of the rights issue, the issued and paid-up share capital of the Company was increased to RM51,000,000 made up of 51,000,000 ordinary shares of RM1.00 each.

## SUBSEQUENT EVENTS

The Company achieved a major milestone in its corporate history with the successful listing of its shares on the Main Board of the Kuala Lumpur Stock Exchange on 3 November 2000. The successful listing provides the Company access to the capital market to raise funds for future expansion. The initial public offering on 10 October 2000 of 9,000,000 ordinary shares of RM1.00 each at RM1.60 per share of which 2,710,000 shares were reserved for eligible employees was oversubscribed by 12 times by the investing public. Upon completion of the public issue, the issued and paid-up share capital of the Company increased from RM51,000,000 made up of 51,000,000 ordinary shares of RM1.00 each to RM60,000,000 made up of 60,000,000 ordinary shares of RM1.00 each.

## Chairman's Statement *(cont'd)*

### **OPERATIONAL OVERVIEW**

The Company is principally an investment holding company. The Group's core business in moulded timber products manufacturing contributed to the Group's overall profit. With effective control over the operating overheads and continued by efforts at strengthening its customer base, the Group registered a profit after tax of RM11.3 million.

A significant part of the Group's products are exported to the USA and Canada. To reduce dependence on these markets, the Group is taking pro-active steps to expand its export markets through developing new products and diversifying its market network. Quality and reliability continue to be the impetus to a competitive edge.

### **PROSPECTS/FUTURE OUTLOOK**

The export of local wood-based products is expected to continue with world consumption of sawn timber and wood-panel products expected to grow at an average annual rate of 2.3% to 4.8% respectively between 1990 to 2010 (1998 Dynaquest Sector Analysis – Sawmills & Timber Processing). It is expected that the Group's key customers in the USA and Canada will continue to provide the market for moulded timber with quality and supply reliability being the main focus. Your Board is confident that the projections for 2001 will be met.

The introduction of timber flooring in 1996 provided a new range of product to the consumers and this has been very well accepted in North America as a substitute to hard maple which is high priced and scarce. To further tap this potential, your Board has approved an investment of RM10.0 million into an additional timber flooring line which will be installed in September 2001 with additional features for enhancing the quality of the timber flooring be integrated in early 2002.

### **CORPORATE GOVERNANCE**

The Group is fully committed to business integrity and professionalism and fully support effective corporate governance and best business practices.

We are in the midst of setting up various Committees as proposed by the Code on Corporate Governance to effectively manage the business and affairs of the Group towards achieving the optimal framework of corporate governance of enhancing business prosperity and corporate accountability.

Your present Board comprises of an Executive Chairman, a Managing Director, an Executive Director and two Independent Non-Executive Directors.

The Board met a total of three(3) times since its inception to date whilst the Audit Committee has met once.

Directors are empowered to seek such external independent professional advice as they may require and the expense borne by the Company, to enable them to make well informed decisions.

The Directors confirm that the accounts continue to be prepared on the going concern basis and are satisfied that the Company and the Group has adequate resources, at the time of approving the financial statements, to continue in business for the foreseeable future.

The Directors are aware that they have overall responsibility for the Group's system of internal financial controls. In achieving this objective, the Board will ensure that there is full control and direction over appropriate strategic, financial, organizational and compliances issues through regular meetings. It also maintains a sound system of internal controls to safeguard the shareholders' investments and the Company's assets. However, such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

## Chairman's Statement *(cont'd)*

The Board is committed to the identification of risk factors within the Group. The Board is well informed on areas where there are significant business risks or exposures as well as the consistency of its risk measurement, monitoring and management.

The performance of the Auditors and the adequacy of the internal and external expertise are reviewed by the Audit Committee, the membership of which comprises of two Non-Executive Directors, and the Managing Director, with the Chairman being an Independent Non-Executive Director.

The membership and Terms of Reference of the Audit Committee is as stated on Page 4-6 of this Annual Report.

The Audit Committee met once since its inception to date and all the members have attended the Committee meeting.

The External Auditors have direct access to the Chairman and Members of the Audit Committee without the presence of the executive directors for independent discussion.

The Group has an internal audit department to review the areas of risk management, internal controls, fraud and internal investigations with open and unrestricted access to the Audit Committee without the presence of executive directors.

### **Investor Relation & Shareholder Communication**

Consistent with the Kuala Lumpur Stock Exchange's (KLSE) objectives, it is the policy of the Board that the shareholders are well informed of all major developments that have an impact on the Company and the various channels the information is communicated to the shareholders are as follows :-

1. the Annual Reports
2. the various disclosures and announcements made to KLSE on such matters as the quarterly results, etc.

Shareholders/Investors who wish to contact the Company on any matter related to their shareholdings/ investments, are invited to send their queries through e-mail at [nwph@tm.net.my](mailto:nwph@tm.net.my) or call the following authorised personnel at 03-77222620.

1. Ms Koh Kai Yek (Finance Manager)
2. Ms Lam Suk Kham (Secretary)

### **APPRECIATION**

On behalf of the Board of Directors, I would like to express my deep gratitude to our customers, suppliers, bankers and shareholders for their continued support and co-operation. Also the Group's achievements would not be possible without the dedication, commitment and continued effort of its existing Directors, the management and the staff of the Group. Therefore I am indeed grateful for all of their valuable contributions to the success of the Group.

**Majid Bin Mat Lazim**  
*Chairman*

## FINANCIAL STATEMENTS

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# Directors' Report

for the period from 5th October, 1999 (date of incorporation) to 31st August, 2000

The directors have pleasure in submitting their report and the audited accounts of the company and of the group for the period from 5th October, 1999 (date of incorporation) to 31st August, 2000.

## PRINCIPAL ACTIVITIES

The principal activity of the company is investment holding. The principal activities of the subsidiary are manufacturing and selling of timber products.

## RESULTS

	THE GROUP RM	THE COMPANY RM
Net profit after taxation	11,304,334	2,593,785
Unappropriated profit brought forward	48,055,967	-
Profit available for appropriation	59,360,301	2,593,785
Merger reserve written off	(40,461,967)	-
Interim dividend	(2,550,000)	(2,550,000)
Unappropriated profit carried forward	16,348,334	43,785

## DIVIDENDS

Dividend paid by the company since the date of incorporation was as follows :-

In respect of financial period ended 31st August, 2000	
Interim ordinary dividend of RM0.05 tax exempt paid on 31st August, 2000	<u>RM2,550,000</u>

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the period other than as disclosed in the statements of changes in equity.

## BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts is required.

At the date of this report, the directors are not aware of any circumstances that would require any amount to be written off as bad debts or provided for as doubtful debts in the accounts of the company and of the group.

## Directors' Report *(contd)*

### **CURRENT ASSETS**

Before the income statement and balance sheet of the company and of the group were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the company and of the group and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the accounts of the company and of the group misleading.

### **VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the company and of the group misleading or inappropriate.

### **CONTINGENT AND OTHER LIABILITIES**

At the date of this report, there does not exist :-

- (i) any charge on the assets of the company or of the group that has arisen since the end of the financial period and secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the company or of the group that has arisen since the end of the financial period.

No contingent liability or other liability of the company or of the group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the company or of the group to meet their obligations as and when they fall due.

### **CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the accounts of the company and of the group that would render any amount stated in the accounts misleading.

### **ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the company and of the group for the financial period were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the company or of the group for the current financial period.

## Directors' Report (cont'd)

### ISSUE OF SHARES

During the financial period the following issues of shares were made by the company :-

Class	Number	Term of Issue	Purpose of Issue
Ordinary RM1/-	2	Cash	Subscribers' Share
Ordinary RM1/-	46,034,714	Cash	Acquisition of Subsidiary
Ordinary RM1/-	4,965,284	Cash	Working Capital

### OPTIONS

No option has been granted during the financial period to take up unissued shares of the company.

### DIRECTORS OF THE COMPANY

The directors who served since the date of incorporation are :-

CHANG CHEE CHING	(First Director, Resigned on 19.07.2000)
KONG YUEN THIN	(First Director, Resigned on 19.07.2000)
MAJID BIN MAT LAZIM	(Appointed on 19.07.2000)
CHANG AH NGAU	(Appointed on 19.07.2000)
MOHD ZAHIRI BIN DATO' HAJI MAULUD	(Appointed on 19.07.2000)
LEE KHIM SIN	(Appointed on 19.07.2000)

In accordance with the Articles of Association, Majid Bin Mat Lazim, Mohd Zahiri Bin Dato' Haji Maulud and Lee Khim Sin retire from the Board at the forthcoming First Annual General Meeting and being eligible, offer themselves for re-election.

None of the Directors who held office at the end of the financial period had, according to the Register of Directors' shareholdings, any interests in the shares of the company and its related corporations except as stated below :-

		No. of Ordinary RM1 Shares			
		Balance 05.10.99	Bought	Sold	Balance 31.08.00
CHANG AH NGAU	- Indirect	-	38,249,999	-	38,249,999
MAJID BIN MAT LAZIM	- Indirect	-	33,149,999	-	33,149,999
		No. of Ordinary RM1 Shares			
		Balance 05.10.99	Bought	Sold	Balance 31.08.00
<b>SEPANG HEIGHTS SDN. BHD.</b>					
(Holding Company)					
MAJID BIN MAT LAZIM		400,000	-	-	400,000
CHANG AH NGAU		100,000	-	-	100,000
<b>CASH FLOW BUDGET SDN. BHD.</b>					
CHANG AH NGAU		99,999	-	-	99,999

## Directors' Report *(cont'd)*

### DIRECTORS' BENEFITS

Since the date of incorporation, no director of the company or of the group has received or become entitled to receive any benefit (other than the fees and emoluments as shown in the accounts) by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial period, was the company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the company or of the group or any other body corporate.

### SIGNIFICANT EVENTS

a) On 14th July, 2000, approval from the Securities Commission was obtained for the proposed restructuring and listing exercise of the Company to the Main Board of the Kuala Lumpur Stock Exchange.

b) Arising from the Securities Commission approval, the restructuring exercise was effected as follows :-

The acquisition of the entire issued and fully paid up share capital of NWP Industries Sdn. Bhd. (formerly known as NWP Industries Berhad) consisting of 2,000,000 ordinary shares of RM1 each, by way of an issue of 46,034,714 new ordinary shares of RM1 each in the company at an issue price of approximately RM1.165 per ordinary share on 18th July, 2000.

With the completion of the restructuring exercise, NWP Industries Sdn. Bhd. became a wholly owned subsidiary of the company.

c) On 16th August, 2000, the company increased its issued and paid-up capital from RM46,034,716 to RM51,000,000 by way of a rights issue of 4,965,284 new ordinary shares of RM1 each at par value on the basis of approximately 108 new ordinary shares for every 1,000 ordinary shares of RM1 each held after the acquisition of NWP Industries Sdn. Bhd.

### SUBSEQUENT EVENTS

a) On 25th October, 2000, the company made a public issue of 9,000,000 new ordinary shares of RM1 each at an issue price of RM1.60 per ordinary shares which were made up as follows :-

	RM
Eligible Employees	2,700,000
Malaysian Public	6,300,000
	<u>9,000,000</u>

b) The company was officially listed to the Kuala Lumpur Stock Exchange on 3rd November, 2000.

## Directors' Report *(cont'd)*

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### **HOLDING COMPANY**

The directors regard Sepang Heights Sdn. Bhd., a company incorporated in Malaysia, as the holding company.

### **AUDITORS**

The auditors, Messrs Yeap Cheng Chuan & Co., Public Accountants, have indicated their willingness to continue in office.

On behalf of the Board,

**MAJID BIN MAT LAZIM**

**CHANG AH NGAU**

Kuala Lumpur,  
21 December 2000

# Report Of The Auditors To The Member of *NWP Holdings Berhad and Its Subsidiary (Incorporated in Malaysia)*

## **ACCOUNTS – 31st August, 2000**

We have audited the accompanying balance sheet of **NWP HOLDINGS BERHAD**, as at 31st August, 2000 and the related income and cash flows statements for the year ended as set out on pages 18 to 34. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing of the accounting principles used and significant estimates made by directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion :-

- (a) The financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia and the Companies Act 1965 so as to give a true and fair view of the financial position of the Group and the Company as at 31st August, 2000 and of their results and cash flows for the year then ended; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the company and its subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the accounts of the subsidiary that have been consolidated with the company's financial statement are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for these purposes

The auditors' report on the financial statements of the subsidiary were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Companies Act, 1965.

### **YEAP CHENG CHUAN & CO.**

*No. AF 0116*

*Public Accountants*

### **YEAP CHENG CHUAN**

*No. 566/4/02 (J/PH)*

*Public Accountant*

Kuala Lumpur,  
21 December 2000

# Consolidated Balance Sheet

31st August, 2000

	Note	2000 RM
<b>FIXED ASSETS</b>	4	20,131,505
<b>CURRENT ASSETS</b>		
Stocks	6	15,792,155
Trade debtors	8	5,202,388
Other debtors & deposits		258,466
Deposit, bank & cash balances		29,877,515
		51,130,524
Less :		
<b>CURRENT LIABILITIES</b>		
Trade creditors		1,336,564
Other creditors & accruals		477,924
Bills payable		2,332,000
Hire purchase creditors	10	20,584
Taxation		184,524
		4,351,596
Net current assets		46,778,928
<b>EXPENDITURE CARRIED FORWARD, at cost</b>		
Listing expenses		437,901
		67,348,334
Represented by :-		
<b>SHARE CAPITAL</b>	9	51,000,000
<b>UNAPPROPRIATED PROFIT</b>		16,348,334
		67,348,334

The above consolidated balance sheet is to be read in conjunction with the notes on the accounts on pages 26 - 34.

Auditors' Report - Page 17.

## Consolidated Statement Of Changes In Equity

*for the period from 5th October, 1999 (date of incorporation) to 31st August, 2000*

	Note	Share Capital RM	Share Premium RM	Reserves RM	Retained Profit RM	Total RM
At date of incorporation		2	-	1,068,011	48,055,967	49,123,980
Issuance of shares at premium		46,034,714	7,600,000	-	-	53,634,714
Rights issue		4,965,284	-	-	-	4,965,284
Net profit for the year		-	-	-	11,304,334	11,304,334
Dividend	17	-	-	-	(2,550,000)	(2,550,000)
Revaluation reserve		-	-	2,510,736	-	2,510,736
Merger reserve		-	(7,600,000)	(3,578,747)	(40,461,967)	(51,640,714)
Balance at 31st August, 2000		51,000,000	-	-	16,348,334	67,348,334

*The above consolidated statement of changes in equity is to be read in conjunction with the notes on the accounts on pages 26 - 34.*

*Auditors' Report - Page 17.*

# Consolidated Income Statement

for the period from 5th October, 1999 (date of incorporation) to 31st August, 2000

	Note	05.10.1999 to 31.08.2000 RM
Revenue	11	56,414,980
Cost of sales	12	<u>(44,040,912)</u>
Gross profit		12,374,068
Other operating income		590,868
Administrative expenses		(978,242)
Other operating expenses	13	<u>(287,699)</u>
Profit from operation		11,698,995
Finance cost	14	<u>(228,050)</u>
Profit before taxation		11,470,945
Taxation	15	<u>(166,611)</u>
Profit after taxation		11,304,334
Basic earnings per share	16	<u>RM 1.78</u>
Fully diluted earnings per share		<u>-</u>

*The above consolidated income statement is to be read in conjunction with the notes on the accounts on pages 26 - 34.*

*Auditors' Report - Page 17.*

# Consolidated Cash Flow Statement

*for the period from 5th October, 1999 (date of incorporation) to 31st August, 2000*

	Note	05.10.1999 to 31.08.2000 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES :-</b>		
Profit before taxation		11,470,945
Adjustments for :-		
Depreciation		1,745,462
Interest expense		136,595
Interest income		(571,258)
Gain on disposal of fixed assets		(3,015)
Reserve		(6,000)
Operating profit before working capital changes		12,772,729
Increase in stocks		(5,849,448)
Increase in creditors		7,216,671
Increase in debtors		(7,560,049)
Listing expenses		(437,901)
Cash generated from operations		6,142,002
Interest paid		(136,595)
Interest received		571,258
Tax refund		14,937
Net cash absorbed by operating activities		6,591,602
<b>CASH FLOWS FROM INVESTING ACTIVITIES :-</b>		
Purchase of fixed assets		(8,878)
Proceeds from disposal of fixed assets		16,443
Net cash provided by investing activities		7,565
<b>CASH FLOWS FROM FINANCING ACTIVITIES :-</b>		
Proceeds from issuance of share capital		4,965,286
Dividend paid		(2,550,000)
Repayment of hire purchase creditors		(463,851)
Net cash provided by financing activities		1,951,435
Net increase in cash and cash equivalents		8,550,602
Cash and cash equivalents brought forward		21,326,913
Cash and cash equivalents carried forward	18	29,877,515

*The above consolidated cash flow statement is to be read in conjunction with the notes on the accounts on pages 26 – 34.*

*Auditors' Report – Page 17.*

# Balance Sheet

31st August, 2000

	Note	2000 RM
<b>SUBSIDIARY COMPANY</b>	5	53,640,714
<b>CURRENT ASSETS</b>		
Amount owing by subsidiary	7	4,525,383
Bank and cash balances		44,111
		4,569,494
Less :		
<b>CURRENT LIABILITIES</b>		
Other creditors & accrued liabilities		4,324
Net current assets		4,565,170
<b>EXPENDITURE CARRIED FORWARD, at cost</b>		
Listing expenses		437,901
		58,643,785
Represented by :-		
<b>SHARE CAPITAL</b>	9	51,000,000
<b>SHARE PREMIUM</b>		7,600,000
<b>UNAPPROPRIATED PROFIT</b>		43,785
		58,643,785

*The above balance sheet is to be read in conjunction with the notes on the accounts on pages 26 – 34.*

*Auditors' Report - Page 17.*

# Statement Of Changes In Equity

for the period from 5th October, 1999 (date of incorporation) to 31st August, 2000

	Note	Share Capital RM	Share Premium RM	Retained Profit RM	Total RM
At date of incorporation		2	-	-	2
Rights issue		4,965,284	-	-	4,965,284
Issuance of shares at premium		46,034,714	7,600,000	-	53,634,714
Net profit for the period		-	-	2,593,785	2,593,785
Dividend	17	-	-	(2,550,000)	(2,550,000)
Balance at 31st August, 2000		51,000,000	7,600,000	43,785	58,643,785

*The above statement of changes in equity is to be read in conjunction with the notes on the accounts on pages 26 - 34.*

*Auditors' Report - Page 17.*

# Income Statement

for the period from 5th October, 1999 (date of incorporation) to 31st August, 2000

	Note	05.10.1999 to 31.08.2000 RM
Revenue	11	2,600,000
Administration expenses		(479)
Other operating expenses	13	<u>(5,736)</u>
Profit before taxation		2,593,785
Taxation	15	-
Net profit for the year		<u>2,593,785</u>
Basic earnings per share	16	<u>RM 0.41</u>
Fully diluted earnings per share		<u>-</u>

*The above income statement is to be read in conjunction with the notes on the accounts on pages 26 - 34.*

*Auditors' Report - Page 17.*

# Cash Flow Statement

for the period from 5th October, 1999 (date of incorporation) to 31st August, 2000

	Note	05.10.1999 to 31.08.2000 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES :-</b>		
Net profit for the period		2,593,785
Adjustment for :-		
Dividend income		(2,600,000)
Operating loss before working capital changes		(6,215)
Increase in debtors		(4,525,383)
Increase in creditors		4,324
Listing expenses		(437,901)
Net cash used in operating activities		(4,965,175)
<b>CASH FLOWS FROM INVESTING ACTIVITIES :-</b>		
Acquisition of subsidiary		(53,640,714)
Dividend received		2,600,000
Net cash used in investing activities		(51,040,714)
<b>CASH FLOWS FROM FINANCING ACTIVITIES :-</b>		
Proceeds from issuance of shares		58,600,000
Dividend paid		(2,550,000)
Net cash from financing activities		56,050,000
Net increase in cash and cash equivalents		44,111
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	18	44,111

The above cash flow statement is to be read in conjunction with the notes on the accounts on pages 26 – 34.

Auditors' Report – Page 17.

# Notes To The Accounts

31st August, 2000

## 1. PRINCIPAL ACTIVITIES

The principal activity of the company is investment holding. The principal activities of the subsidiary are manufacturing and selling of timber products. There have been no significant changes in the nature of these activities during the period.

## 2. BASIS OF PREPARATION OF THE ACCOUNTS

The accounts of the company have been prepared in accordance with the provisions of the Companies Act, 1965 and the approved accounting standards of the Malaysia Accounting Standards Board.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### (a) Accounting Convention

The accounts have been prepared under the historical cost convention modified by the revaluation of certain fixed assets.

### (b) Expenditure Carried Forward

All expenses incurred for the listing of the company to the Main Board of the Kuala Lumpur Stock Exchange have been deferred and charged to listing expenses account. Listing expenses will be written off against share premium upon completion of the listing exercise

### (c) Basis of Consolidation

The consolidated accounts incorporate the audited accounts of the Company and its subsidiary made up to 31st August, 2000.

The subsidiary is consolidated using the merger method of accounting in accordance with Malaysian Accounting Standard No. 2. Under the merger method of accounting, the results of the subsidiary is presented as if the company has been combined throughout the current and previous financial years.

The difference between the cost of acquisition over the nominal value of the share capital of the subsidiary is taken as merger reserve.

Merger debit arising on consolidation is written off against the consolidated capital and revenue reserves..

### (d) Investment in Subsidiary

Investment in subsidiary, which is eliminated on consolidation, is stated at cost. A provision is made when the directors are of the view that there is a permanent diminution in the value of the underlying net tangible assets.

### (e) Depreciation

It is the group's policy that all assets except for leasehold land are depreciated from the month of acquisition and no depreciation is provided for in the month of disposal.

# Notes To The Accounts *(cont'd)*

31st August, 2000

Depreciation of fixed assets is calculated to write off the cost on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used are as follows :-

	%
Factory building	2
Leasehold land	Over lease period of 64 – 96 years
Plant & machinery	10
Motor vehicles	20
Electrical installation	10
Furniture, fittings & office equipment	10
Factory equipment & tools	10
Office renovation	10

**(f) Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on first-in, first-out method.

Cost of finished goods and work-in-progress consist of cost of raw materials, direct expenditure and production overheads where appropriate. In arriving at net realisable value, due allowance is made for all obsolete and slow-moving stock items.

**(g) Deferred Taxation**

Deferred taxation, calculated using the liability method, is provided on timing differences arising from the difference in treatment in accounting and taxation of certain items except where it can be demonstrated with reasonable probability that the tax deferral will continue in the foreseeable future.

In accounting for timing differences, deferred tax debits are not accounted for, unless there is a reasonable expectation of their realisation.

**(h) Foreign Currency Conversion**

Transaction in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling on the date of each transaction. Where settlement of liabilities and receivables has not yet taken place at the end of the financial period, foreign currencies are converted at the approximate exchange rates prevailing on the date.

Gains and losses arising from currency conversions are taken up in the profit and loss account.

**(i) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and of the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised :-

*a) Sale of Goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

*b) Dividends*

Dividends from subsidiary company are recognised as and when they are received.

## Notes To The Accounts (Cont'd)

31st August, 2000

c) *Income from Services*

Income is recognised as services are rendered.

(j) **Cash and cash equivalents**

Cash and cash equivalents represent cash and bank balances, bank overdraft and deposits with financial institution.

#### 4. FIXED ASSETS

The details of fixed assets are as follows :-

##### THE GROUP

2000 Cost	Date of Incorporation RM	Addition RM	Disposal RM	At 31st Aug RM
Factory building :-				
- Cost	10,389,191	-	-	10,389,191
- Revaluation	953,161	-	-	953,161
Leasehold land :-				
- Cost	333,466	-	-	333,466
- Revaluation	114,850	2,510,736	-	2,625,586
Plant & machinery	13,398,601	-	-	13,398,601
Motor vehicles	779,982	-	(16,443)	763,539
Electrical installation	362,865	-	-	362,865
Furniture, fittings & office equipment	163,269	4,579	-	167,848
Factory equipment & tools	35,668	4,300	-	39,968
Office renovation	41,887	-	-	41,887
	26,572,940	2,519,615	(16,443)	29,076,112

Accumulated Depreciation	Date of Incorporation RM	Charge for the year RM	Disposal RM	At 31st Aug RM
Factory building :-				
- Cost	1,167,962	207,784	-	1,375,746
- Revaluation	133,442	19,063	-	152,505
Leasehold land :-				
- Cost	-	4,983	-	4,983
- Revaluation	-	35,811	-	35,811
Plant & machinery	4,884,813	1,339,860	-	6,224,673
Motor vehicles	657,454	78,020	( 3,015)	732,459
Electrical installation	263,059	36,286	-	299,345
Furniture, fittings & office equipment	63,523	15,793	-	79,316
Factory equipment & tools	21,786	3,674	-	25,460
Office renovation	10,120	4,189	-	14,309
	7,202,159	1,745,463	( 3,015)	8,944,607

## Notes To The Accounts *(Cont'd)*

31st August, 2000

**Net Book Value**

	2000 RM
Factory building :-	
- Cost	9,013,445
- Revaluation	800,656
Leasehold land :-	
- Cost	328,483
- Revaluation	2,589,775
Plant & machinery	7,173,928
Motor vehicles	31,080
Electrical installation	63,520
Furniture, fittings & office equipment	88,532
Factory equipment & tools	14,508
Office renovation	27,578
	20,131,505

(a) Details of independent professional valuation of properties owned by the subsidiary at 31st August, 2000 are as follows :-

Year of Valuation	Description of Property	Amount	Basis of Valuation
1999	Land & factory at Sabah	RM13,000,000	Contractor's and comparative methods

(b) Included in the fixed assets of the company are plant & machinery acquired under hire purchase installment plan with net book value of RM1,009,293 (1999 : RM1,156,399)

**5. SUBSIDIARY COMPANY**

	The Company 2000
Unquoted shares, at cost	RM 53,640,714

The subsidiary company as at 31st August, 2000 is :-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2000
NWP Industries Sdn. Bhd.	Malaysia	Manufacturing and selling of timber products	100%

# Notes To The Accounts (Cont'd)

31st August, 2000

## 6. STOCKS

	<b>The Group 2000</b>
Raw materials	14,510,158
Work-in-progress	81,476
Finished goods	<u>1,200,521</u>
	<u>15,792,155</u>

## 7. AMOUNT OWING BY SUBSIDIARY

The amount owing by subsidiary company is unsecured, interest free and with no fixed term of repayment.

## 8. TRADE DEBTORS

	<b>The Group 2000</b>
Trade debtors	<u>RM 5,202,388</u>

No provision for doubtful debts is provided by the subsidiary as the company is of the view that all the trade debtors are collectable.

## 9. SHARE CAPITAL

	<b>Group/ Company 2000 RM</b>
Authorised shares of RM1/- each :-	
- At date of incorporation	100,000
- Increased during the period	<u>99,900,000</u>
Balance as at 31st August	<u>100,000,000</u>
Issued and fully paid up	
Ordinary shares of RM1/- each :-	
- At date of incorporation	2
- Issued during the period	<u>50,999,998</u>
Balance as at 31st August	<u>51,000,000</u>

During the financial period, the company increased its issued and fully paid up share capital from RM2 to RM51,000,000 by way of the following :-

- (a) Issue of 46,034,714 new ordinary shares of RM1 each for the acquisition of the subsidiary.

# Notes To The Accounts *(Cont'd)*

31st August, 2000

- (b) Rights issue of 4,965,284 new ordinary shares of RM1 each at par value on the basis of approximately 108 new ordinary shares for every 1,000 ordinary shares of RM1 each held after the acquisition of the subsidiary. The shares shall rank pari passu with the existing ordinary shares of the company.

## 10. HIRE PURCHASE CREDITORS

	The Group 2000 RM
Amount outstanding	20,584
Less : Amount payable within 12 months	<u>(20,584)</u>
Amount payable after 12 months	<u>-</u>

## 11. REVENUE

Revenue of the company represents dividend received. Revenue of the group represents dividend received and the invoiced value of sales less returns and discounts allowed. Revenue of the group excludes intergroup transaction.

## 12. COST OF SALES

Included in the cost of sales are depreciation of electrical installation, factory building, factory equipment, tools, equipment, plant and machinery amounted to RM1,647,461 (1999 : RM1,524,837).

## 13. OTHER OPERATING EXPENSES

	2000	
	The Group RM	The Company RM
Other operating expenses are :-		
After charging :-		
Auditors remuneration	15,000	2,000
Preliminary expenses written off	1,630	1,630
Pre-operation expenses written off	1,677	1,677
Directors' remuneration :-		
- Directors' fee	12,000	-
- Directors' allowance	50,400	-
- Directors' salaries	45,400	-
- Other emoluments	5,448	-
	<u>          </u>	<u>          </u>
And crediting :-		
Fixed deposit interest received	571,258	-
Gain on foreign exchange	16,595	-
Gain in disposal of fixed assets	3,015	-
	<u>          </u>	<u>          </u>

## Notes To The Accounts (Cont'd)

31st August, 2000

**14. FINANCE COST**The Group  
2000  
RM

Included in finance cost are :-

Hire purchase interest	99,069
Bank overdraft interest	37,526

**15. TAXATION**The Group  
2000  
RM

Taxation based on the profit :-

- Current year provision	(167,000)
- Overprovision in prior year	389
	<u>166,611</u>

The taxation charges for the group are lower than the statutory rate of tax applicable. This is mainly due to the subsidiary company enjoying pioneer status for its general moulding products under the Promotion of Investment Act, 1986 for a period of ten years, which will expire on 30th June, 2001. In addition, it has unabsorbed capital allowances amounting to RM11,093 as at 31st August, 2000 (subject to confirmation from the Inland Revenue Board) to off-set the taxable income derived from non-pioneer status product and services such as kiln-drying services.

**16. EARNINGS PER SHARE**

The earnings per share has been calculated based on the profit after taxation of RM11,304,334 for the group and RM2,593,785 for the company on the weighted average number of 6,344,433 ordinary shares of RM1/- each in issue during the period.

**17. DIVIDENDS**Group/ Company  
2000

Final tax exempt interim dividend of RM0.05	<u>RM 2,550,000</u>
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# Notes To The Accounts *(Cont'd)*

31st August, 2000

## 18. CASH AND CASH EQUIVALENTS

	The Group 2000 RM	The Company 2000 RM
Deposit with licensed bank	3,067,888	-
Bank & cash balances	26,809,627	44,111
	<u>29,877,515</u>	<u>44,111</u>

## 19. HOLDING COMPANY

The holding company is Sepang Heights Sdn. Bhd., a company incorporated in Malaysia which holds 65% equity of the company.

## 20. SEGMENT REPORTING

The group is principally engaged in the manufacturing of timber mouldings within Malaysia. The other segments of activities are not significant and as such no segmental analysis is reported.

## 21. CAPITAL COMMITMENTS

	The Group 2000
Capital expenditure approved but not contracted for	<u>RM 10,000,000</u>

## 22. NUMBER OF EMPLOYEES AND REGISTERED OFFICE

The average number of employees in the Company and the Group at the end of the financial period were four and two hundred and seventy four respectively. The registered office of the Company is located at 68C, Jalan SS 2/72, 47300 Petaling Jaya, Selangor Darul Ehsan.

## 23. SIGNIFICANT EVENTS

- a) On 14th July, 2000, approval from the Securities Commission was obtained for the proposed restructuring and listing exercise of the Company to the Main Board of the Kuala Lumpur Stock Exchange.
- b) Arising from the Securities Commission approval, the restructuring exercise was effected as follows :-

The acquisition of the entire issued and fully paid up share capital of NWP Industries Sdn. Bhd. (formerly known as NWP Industries Berhad) consisting of 2,000,000 ordinary shares of RM1 each, by way of an issue of 46,034,714 new ordinary shares of RM1 each in the company at an issue price of approximately RM1.165 per ordinary share on 18th July, 2000.

# Notes To The Accounts *(Cont'd)*

31st August, 2000

With the completion of the restructuring exercise, NWP Industries Sdn. Bhd. became a wholly owned subsidiary of the company.

- c) On 16th August, 2000, the company increased its issued and paid-up capital from RM46,034,716 to RM51,000,000 by way of a rights issue of 4,965,284 new ordinary shares of RM1 each at par value on the basis of approximately 108 new ordinary shares for every 1,000 ordinary shares of RM1 each held after the acquisition of NWP Industries Sdn. Bhd.

## 24. SUBSEQUENT EVENTS

- a) On 25th October, 2000, the company made a public issue of 9,000,000 new ordinary shares of RM1 each at an issue price of RM1.60 per ordinary shares which were made up as follows :-

	<b>RM</b>
Eligible Employees	2,700,000
Malaysian Public	<u>6,300,000</u>
	<u>9,000,000</u>

- b) The company was officially listed to the Kuala Lumpur Stock Exchange on 3rd November, 2000.

## 25. COMPARATIVE FIGURES

No comparative figures are presented as this is the first accounts of the company since its date of incorporation

# Statement By Directors

31st August, 2000

We, MAJID BIN MAT LAZIM and CHANG AH NGAU, being two of the Directors of NWP HOLDINGS BERHAD, do hereby state that, in the opinion of the Directors, the accompanying Balance Sheets, Statements of Changes in Equity, Income and the Cash Flow Statements of the company and of the group for the period ended 31st August, 2000, together with the notes thereto, are drawn up so as to exhibit a true and fair view of the state of affairs and the results of the business of the company and of the group for the period then ended, have been properly drawn up in accordance with applicable approved Accounting Standards in Malaysia.

Signed at Kuala Lumpur this 21 day of December, 2000

On behalf of the Board,

MAJID BIN MAT LAZIM            )  
  )  
  ) DIRECTORS  
  )  
CHANG AH NGAU                 )

## Statutory Declaration

31st August, 2000

I, MAJID BIN MAT LAZIM, being the Director primarily responsible for the financial management of NWP HOLDINGS BERHAD, do solemnly and sincerely declare that the accompanying Balance Sheets, Statements of Changes in Equity, Income and the Cash Flow Statements of the company and of the group as at 31st August, 2000 together with the notes thereto, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed **MAJID BIN MAT LAZIM**  
at Kuala Lumpur this 21 day of December, 2000

**MAJID BIN MAT LAZIM**

Before me,

**KAN MANG FONG (PPN)**  
Commissioner for Oaths  
Kuala Lumpur

# Analysis Of Shareholdings

As At 31 December, 2000

## SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000
Issued and Fully Paid Up Capital	:	RM60,000,000
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	1 vote per ordinary share

## SIZE OF SHAREHOLDINGS

Range	No. of Shares	Percentage	No. of Shareholders	Percentage
1 - 499	1	0.00	1	0.10
500 - 5000	1,070,000	1.78	873	90.56
5001 - 10000	428,000	0.71	47	4.88
10001 - 100000	783,001	1.31	29	3.01
100001 - 1000000	1,116,099	1.86	6	0.62
Above 1000000	56,602,899	94.34	8	0.83
	<b>60,000,000</b>	<b>100.00</b>	<b>964</b>	<b>100.00</b>

## LIST OF 20 LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	Percentage
1. Sepang Heights Sdn Bhd	33,149,999	55.25
2. Fibre Optic World Sdn Bhd	5,688,000	9.48
3. Tibow Sawmill Sdn Bhd	5,320,150	8.87
4. Cashflow Budget Sdn Bhd	5,100,000	8.50
5. Tegas Erti Sdn Bhd	2,550,000	4.25
6. Ding Ming Tiong	1,746,750	2.91
7. Chan Wai Peng	1,541,000	2.57
8. Vector Thunder Sdn Bhd	1,507,000	2.51
9. Wong See Ming	300,000	0.50
10. Wong Siew Fong	300,000	0.50
11. Lai Kiau Moi @ Chai Chin Thai	150,099	0.25
12. Teh Beng Geok	140,000	0.23
13. Wong Set Moi	125,000	0.21
14. Hong Leong Finance Berhad <i>Pledged Securities Account for Tan Seng Leong</i>	101,000	0.17
15. Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yap Eng Chuan</i>	64,000	0.11
16. Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Chor Wah</i>	63,000	0.11
17. Liew Siew Kian	55,000	0.09
18. Teh Kim Ann	50,000	0.08
19. Lim Chui Oi	44,000	0.07
20. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chan Whye Lan @ Chin Pok Lah</i>	38,000	0.06
	<b>58,032,998</b>	<b>96.72</b>

# List Of Substantial Shareholders

As At 31st December, 2000

NAME OF SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES	%
Chang Ah Ngau	38,249,999 (Indirect) *	63.75
Sepang Heights Sdn Bhd	33,149,999	55.25
Majid Bin Mat Lazim	33,149,999 (Indirect)**	55.25
Fibre Optic World Sdn Bhd	5,688,000	9.48
Tibow Sawmill Sdn Bhd	5,320,150	8.87
Cashflow Budget Sdn Bhd	5,100,000	8.50
Tegas Erti Sdn Bhd	2,550,000	4.25
Ding Ming Tiong	1,746,750	2.91
Chan Wai Peng	1,541,000	2.57
Vector Thunder Sdn Bhd	1,507,000	2.51

**Note: -**

\* Deemed interest by virtue of his equity interest in Sepang Heights Sdn Bhd and Cashflow Budget Sdn Bhd.

\*\* Deemed interest by virtue of his equity interest in Sepang Heights Sdn Bhd.

## Statement Of Directors' Interest In Shares

As At 31st December, 2000

Name	NWP Holdings Berhad	
	Direct Interest No. of ordinary shares of RM1.00 each	Indirect Interest
Chang Ah Ngau	-	38,249,999*
Majid Bin Mat Lazim	-	33,149,999**

**Note: -**

\* Deemed interest by virtue of his equity interest in Sepang Heights Sdn Bhd and Cashflow Budget Sdn Bhd.

\*\* Deemed interest by virtue of his equity interest in Sepang Heights Sdn Bhd.

# List Of Properties

As At 31st August, 2000

Location	Description/ Existing Use	Tenure/ Expiry Date	Land Area/ Built-up Area	Net Book Value RM'000	Age of Building (Years)
Country Lease 025339566, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah	Consist of main office, tool and saw-doctoring rooms, machinery sheds, klin drying bays, boiler building, stacking sheds, labourline, canteen and a timber workshop.	99 years lease expiring on 31 December 2064	10.00 acres	7,375,396	7
Country Lease 025348298, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah	Consist of machinery sheds, generator set room, klin drying bays, staff quarters and with gross floor area of 99,880 square feet. The building is adjoining the property mentioned above.	99 years lease expiring on 31 December 2096	6.63 acres	5,356,962	4





I/We \_\_\_\_\_ NRIC No. \_\_\_\_\_

of \_\_\_\_\_

being a Member/Members of **NWP Holdings Berhad** hereby appoint \_\_\_\_\_

\_\_\_\_\_ NRIC No. \_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_ NRIC No. \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the First Annual General Meeting of the Company to be held at Tiara Delima Hotel Singgahsana, Persiaran Barat, Off Jalan Sultan 46760 Petaling Jaya , Selangor Darul Ehsan on Monday, 26 February 2001 at 9.00 a.m. and at any adjournment thereof, as indicated below: -

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive and adopt the Audited Accounts of the Company for the year ended 31st August 2000 and the Reports of the Directors and Auditors thereon.		
2.	To re-elect Encik Majid Bin Mat Lazim as a Director.		
3.	To re-elect Encik Mohd Zahiri Bin Dato' Haji Maulud as a Director.		
4.	To re-elect Mr Lee Khim Sin as a Director.		
5.	To re-elect Mr Wong See Ming as a Director.		
6.	To re-appoint Messrs. Yeap Cheng Chuan & Co as the Company's Auditors and to authorize the Directors to fix their remuneration.		
7.	<b>As Special Business :-</b> Authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		

Please indicate with a cross (X) how you wish your votes to be cast in respect of each Resolution. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2001

NUMBER OF SHARES HELD

\_\_\_\_\_  
Signature(s) / Common Seal of Shareholder(s)

**Notes:**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. 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.
2. A member shall be entitled to appoint more than one(1) proxy to attend and vote at the meeting provided that the provision of Section 149(1)(c) of the Companies Act, 1965 are complied with.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, it must be either under its seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing the proxy must be deposited at the Registered Office of the Company at Unit 1119, 11<sup>th</sup> Floor, Block A, Damansara Intan, No. 1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

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STAMP

To : **The Company Secretary**  
**NWP HOLDINGS BERHAD** (495476-M0)  
Unit 1119, 11th Floor, Block A,  
Damansara Intan,  
No. 1, Jalan SS 20/27,  
47400 Petaling Jaya,  
Selangor Darul Ehsan

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