
Contents

Corporate Information	2
Notice Of Annual General Meeting	3 - 5
Chairman's Statement	6
Audit Committee	7 - 10
Corporate Governance And Other Information	11 - 12
Profile Of Board Of Directors	13 - 14
Financial Statements	15 - 42
List Of Properties	43
Analysis Of Shareholdings	44 - 46
Statement Of Directors' Interest In Shares	46
Appendix A	47 - 53
Proxy Form	

Corporate Information

BOARD OF DIRECTORS

Encik Majid bin Mat Lazim

Mr Chang Ah Ngau

Mr Wong See Ming

Encik Mohd. Zahiri bin Dato' Haji Maulud

Mr Lee Khim Sin

Executive Chairman

Managing Director

Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

AUDIT COMMITTEE

Mr Lee Khim Sin

Chairman (Independent Non-Executive Director)

Encik Mohd. Zahiri bin Dato' Haji Maulud

Member (Independent Non-Executive Director)

Mr Chang Ah Ngau

Member (Managing Director)

COMPANY SECRETARY

Mr Law Fok Kiong

(MIA 3835)

REGISTERED OFFICE

Unit 1119, 11th Floor
Block A, Damansara Intan
No. 1, Jalan SS 20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7118 2892/3
Fax: 03-7118 7799

PLACE OF BUSINESS

No. 63C, Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya

56 Km, Jalan Kimanis
Beaufort Highway
PO Box 362
89608 Papar
Sabah

REGISTRARS

Signet Share Registration Services Sdn Bhd
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-21454337
Fax: 03-21421353

BANKERS

HSBC Bank Malaysia Berhad

56, Jalan Gaya
88000 Kota Kinabalu
Sabah

Affin Bank Berhad

17th Floor, Menara Affin
80, Jalan Raja Chulan
50200 Kuala Lumpur

Malayan Banking Berhad

Ground & First Floors
F-65, Bangunan UMNO
Jalan Tan Sri Yahya
28000 Temerloh
Pahang Darul Makmur

AUDITORS

Yeap Cheng Chuan & Co.
Suite 609, Block C
Phileo Damansara 1
9, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan

SOLICITORS

Lee, Perara & Tan
55, Jalan Thambapillai
Brickfields
50470 Kuala Lumpur

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange
Main Board

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of the Company will be held at Tiara Zamrud, Hotel Singgahsana, Persiaran Barat, Off Jalan Sultan, 46760 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 19 February 2002 at 10.30 a.m. for the following purposes: -

1. To receive and adopt the Audited Financial Statements of the Company for the year ended 31 August 2001 together with the Reports of the Directors and Auditors thereon. **RESOLUTION 1**

2. To re-elect the following Director retiring in accordance with Article 77 of the Company's Articles of Association: -

a) Encik Majid Bin Mat Lazim **RESOLUTION 2**

3. To re-appoint Messrs.Yeap Cheng Chuan & Co. as the Company's Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 3**

4. **AS SPECIAL BUSINESS: -**

To consider and if thought fit, to pass the following Ordinary and Special Resolutions: -

Ordinary Resolution

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"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 4

Special Resolution

Amendments to the Articles of Association

"THAT the amendments to the Articles of Association of the Company as disclosed in Appendix A be and are hereby approved and THAT the Articles of Association of the Company as amended be adopted as the Articles of Association of the Company."

RESOLUTION 5

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
(MIA 3835)

Selangor Darul Ehsan
25 January 2002

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, 11th Floor, Block A, Damansara Intan, No. 1, Jalan SS20/27 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 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 at the next Annual General Meeting of the Company.

The Special Resolution proposed on the amendments to the Articles of Association is to comply with the Revamped Listing Requirements of the Kuala Lumpur Stock Exchange.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to paragraph 8.28(2) of the Listing Requirements of KLSE

1. Place, date and time of the Annual General Meeting

Place : Tiara Zamrud, Hotel Singgahsana, Persiaran Barat, Off Jalan Sultan, 46760 Petaling Jaya, Selangor Darul Ehsan

Date : 19 February 2002

Time : 10.30 a.m.

2. Name of individual standing for re-election

Encik Majid bin Mat Lazim

3. Attendance at Board Meetings

During the last financial year ended 31 August 2001, there were four Board Meetings held. The details of attendance of each member are as follows :

Name	No. of meetings attended
Encik Majid bin Mat Lazim	3
Mr Chang Ah Ngau	4
Mr Wong See Ming	2
Encik Mohd Zahiri bin Dato' Haji Maulud	4
Mr Lee Khim Sin	4

4. Place, date and time of Board Meetings held during the financial year ended 31 August 2001

Meeting	Date	Time	Venue
2/2000	30/10/2000	11.30 a.m	No 63C, Jalan SS 21/60 Damansara Utama 47400 Petaling Jaya, Selangor Darul Ehsan
1/2001	19/1/2001	11.30 a.m	No 63C, Jalan SS 21/60 Damansara Utama 47400 Petaling Jaya, Selangor Darul Ehsan
2/2001	30/4/2001	11.30 a.m	No 63C, Jalan SS 21/60 Damansara Utama 47400 Petaling Jaya, Selangor Darul Ehsan
3/2001	26/7/2001	11.30 a.m	No 63C, Jalan SS 21/60 Damansara Utama 47400 Petaling Jaya, Selangor Darul Ehsan

5. Further details of individual who is standing for re-election as Director

Name	:	Majid bin Mat Lazim
Age	:	39
Nationality	:	Malaysian
Position in Company	:	Executive Chairman
Working experience	:	19 years
Other directorships of public companies	:	None
Family relationship with any director and/or major shareholder of Company	:	Director and shareholder of Sepang Heights Sdn Bhd, a major shareholder of the Company. No family relationship with any director.
Any conflict of interest that he has with the Company	:	None
List of convictions for offences within the past 10 years other than traffic offences, if any	:	None

Chairman's Statement

On behalf of the Board of Directors, I have pleasure to present to you the 2001 Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 August 2001.

FINANCIAL HIGHLIGHTS

I am pleased to announce that the Group has achieved a year of commendable profits. The Group recorded a turnover of RM54.6 million for the year under review compared to RM56.4 million for the financial year ended 31 August 2000. The global slow down has resulted the lower turnover. Despite the slow down, the Group was able to achieve a profit before tax of RM11.3 million for the financial year 2001 compared to RM11.5 million achieved in year 2000. After accounting for taxation of RM0.4 million, the net profit after tax was RM10.9 million. No exceptional or extraordinary items were recorded in the financial year under review.

The Company's subsidiary enjoys pioneer status with full tax exemption on its general moulding business under the Promotion of Investment Act, 1986, which has expired on 30 June 2001.

DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the financial year under review.

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 in strengthening its customer base, the Group registered a profit after tax of RM10.9 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 global slow down as a result of the 11 September 2001 terrorist attack on the World Trade Centre in the United States of America will have a major impact on the Company's performance for the year ahead. Steps taken by the Company to open up new markets in Asia and Europe may cushion the slow down in the US economy, the main market for the Group products.

However, your Board is confident that despite the increasing difficulties and challenging environment ahead, the Group will be able to return a profit for the ensuing year.

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

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 of 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.

Audit Committee (Cont'd)

- 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.
- 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

Audit Committee (Cont'd)

- 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
 - 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.

Audit Committee (Cont'd)

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 to 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.

ATTENDANCE OF MEETING

During the last financial year, there were four (4) meetings held. The details of attendance of each member are as follows :

Mr Lee Khim Sin	4/4
Encik Mohd Zahiri bin Dato' Haji Maulud	4/4
Mr Chang Ah Ngau	4/4

SUMMARY OF ACTIVITIES

During the financial year, the activities of the Audit committee include reviewing the unaudited financial statements and the audited financial statements of the Company and the Group and recommending the same for approval by the Board, upon being satisfied that inter-alia, the financial reporting and disclosure requirements of the relevant authorities had been complied with, particularly :

- adoption of appropriate accounting treatment;
- presentation of financial statements in accordance with the relevant approved accounting standards; and
- review actual financial performance to forecasted financial performance.

INTERNAL AUDIT FUNCTION

The internal audit function is still in the process of being streamlined to assist the Audit Committee in discharging their responsibilities, to review the overall effectiveness of internal control including the adequacy in risk management, internal operational controls, compliance with laws and regulations and management efficiency.

Corporate Governance And Other Information

The Board of Directors of the Company acknowledges the importance of good corporate governance and is continuously taking steps to evaluate and upgrade corporate governance practices adopted by the Group as enumerated here below and in compliance with the Code of best practices of the Malaysian Code On Corporate Governance.

BOARD COMPOSITION

The composition of the Board reflects the broad range of experience, skills and knowledge required to successfully direct and supervise the Group's business activities but also the importance of independence in decision making at Board level. There are two (2) non-executive directors and three (3) executive directors.

DIRECTORS TRAINING

All the Directors have attended the Mandatory Accreditation Programmes organized by the Research Institute of Investment Analysts Malaysia as required by the Listing Requirements of the Kuala Lumpur Stock Exchange.

DIRECTORS' REMUNERATION

Aggregate remuneration of the Directors of the Company in the Group for the year ended 31 August 2001 are as follows :

Directors' Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)
Fees	-	42,000
Salaries and EPF	54,680	-
Allowances	48,160	-
Directors Remuneration Band	No. of Director	
	Executive Directors	Non-Executive Directors
RM50,000 and below	1	2
RM50,000 to RM100,000	1	-

SANCTIONS AND/OR PENALTIES IMPOSED ON THE COMPANY AND ITS SUBSIDIARY, DIRECTORS OR MANAGEMENT BY THE RELEVANT REGULATORY BODIES

There were no material penalties imposed by regulatory bodies on the Company and its subsidiary.

NON AUDIT FEES PAID TO EXTERNAL AUDITORS FOR THE FINANCIAL YEAR

There were no non audit fees paid to external auditors.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiary, involving directors and major shareholders interests during the financial year.

UTILISATION OF PROCEEDS

The following proceeds were raised from a restructuring exercise :

	RM
Financial year ended 31 August 2000, Rights Issue of 4,965,284 new ordinary shares of RM1.00 each at par value	4,965,284.00
Financial year ended 31 August 2001, Public Issue of 9,000,000 new ordinary shares at an issue price of RM1.60	14,400,000.00
Total	<u>19,365,284.00</u>
Utilised as follows :	
Purchase of plant and machinery in line with the Group's expansion plan as disclosed in the prospectus	10,000,000.00
Additional plant and machinery acquired	3,883,430.00
Listing expenses paid	1,381,040.00
Working capital	4,100,814.00
Total	<u>19,365,284.00</u>

CONVERTIBLE SECURITIES

No convertible securities were exercised during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company are required by the Companies Act, 1965 to prepare annual audited financial statements in accordance with the applicable approved accounting standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows for the financial year. The Listing Requirements of the Kuala Lumpur Stock Exchange require the Directors to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are satisfied that in preparing the financial statements of the Group for the year ended 31 August 2001, the Group has used the appropriate accounting policies and applied them consistently and prudently. The Directors also consider that all relevant approved accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

Profile Of Board Of Directors

MAJID BIN MAT LAZIM

Malaysian, aged 39, is the Executive Chairman of the Company, appointed to the Board of Directors on 19 July 2000.

He holds a Certificate of Wood Machining and Timber Moulding from Majlis Amanah Rakyat.

He has more than 19 years experience in the timber moulded and related business activities. He also specialises in machinery maintenance and quality control and is very experienced in checking and grading timber products.

Encik Majid is a director and shareholder of Sepang Heights Sdn Bhd, a major shareholder of the Company. He has no family relationship with any director of the Company; no conflict of interest with the Company and has no convictions for offences within the past ten years.

He does not sit in any Board Committee and has attended three out of four Board Meetings held in the financial year ended 31 August 2001.

CHANG AH NGAU

Malaysian, aged 49, is the Managing Director of the Company, appointed to the Board of Directors on 19 July 2000.

He has more than 20 years experience in the timber moulding and related business activities. He is very conversant with timber grading, kiln-drying and all aspects of profile moulding operations. As a businessman, he has been involved in construction, plantation and investment sectors.

Mr Chang is a director and shareholder of Sepang Heights Sdn Bhd and Cashflow Budget Sdn Bhd, both major shareholders of the Company. He has no family relationship with any director of the Company; no conflict of interest with the Company and has no convictions for offences within the past ten years.

He is a member of the Audit Committee of the Company and has attended all the Board and Audit Committee Meetings held in the financial year ended 31 August 2001.

WONG SEE MING

Malaysian, aged 34, is an Executive Director of the Company, appointed to the Board of Directors on 29 January 2001.

He obtained a Bachelor of Arts (Professional Accounting and Management Information System) Degree from the Eastern Washington University, United States of America.

He has more than 10 years experience in the timber moulding and related business activities. As a businessman, he is also involved in properties construction, manufacturing, plantation and investment sectors. He currently sits on the Board of Bright Packaging Industry Berhad, a company listed on the Second Board of the Kuala Lumpur Stock Exchange, as a Non-Independent Non-Executive Director.

Mr Wong See Ming holds 300,000 ordinary shares in the Company and is a shareholder of Sepang Heights Sdn Bhd, a major shareholder of the Company. He has no family relationship with any director of the Company; no conflict of interest with the Company and has no convictions for offences within the past ten years.

He is a member of the Remuneration Committee. He has attended all the Board Meetings of the Company since his appointment, held in the financial year ended 31 August 2001.

MOHD. ZAHIRI BIN DATO' HAJI MAULUD

Malaysian, aged 42, is an Independent Non-Executive Director, appointed to the Board of Director on 19 July 2000.

He has a Degree in Business Administration from Mara Institute of Technology.

He has a total of 23 years experience in industries involved in timber products, retail, food, trading and manufacturing. He was a Director cum General Manager of Dewina Berhad, a company listed on the Second Board of the Kuala Lumpur Stock Exchange between 1992 to 1993 and is currently the Managing Director of Plus Eleven Sdn Bhd (a processed food manufacturer company) and a Director of Khemah Technology Sdn Bhd (a trading company). He also sits on the Board of Bright Packaging Industry Berhad, a company listed on the Second Board of the Kuala Lumpur Stock Exchange, as an Independent Non-Executive Director.

He holds 10,000 ordinary shares in the Company and has no family relationship with any director and major shareholder of the Company; no conflict of interest with the Company and has no convictions for offences within the past ten years.

He is a member of the Audit, Nominating and Remuneration Committees of the Company and has attended all the Board and Audit Committee Meetings of the Company held in the financial year ended 31 August 2001.

LEE KHIM SIN

Malaysian, aged 60, is an Independent Non-Executive Director of the Company, appointed to the Board of Directors on 19 July 2000.

He is a Chartered Accountant by profession. He graduated with a Bachelor of Arts Degree from Nanyang University, Singapore in 1962 and then qualified as Chartered Accountant in England in 1969. He is a Fellow of the Institute of Chartered Accountants in England and Wales and of the Malaysian Association of Certified Public Accountants and a member of the Malaysian Institute of Accountants. He is the Managing Partner of Messrs Hii & Lee, a firm of Chartered Accountants. Having been in the profession for more than 30 years, he has been closely involved in advising clients varying from small to multinational enterprises in the fields of corporate planning, management, mergers and acquisitions, investments and divestments of companies and businesses. He also sits on the Board of Unico Holdings Bhd.

He has no family relationship with any director and major shareholder of the Company; no conflict of interest with the Company and has no convictions for offences within the past ten years.

He is the Chairman of the Audit committee and a member of the Nominating and Remuneration Committees of the Company and has attended all the Board and Audit Committee Meetings held in the financial year ended 31 August 2001.

Financial Statements

Directors' Report	16 -19
Auditors' Report	20
Consolidated Balance Sheet	21
Consolidated Statement Of Changes In Equity	22
Consolidated Income Statement	23
Consolidated Cash Flow Statement	24
Balance Sheet	25
Statement Of Changes In Equity	26
Income Statement	27
Cash Flow Statement	28
Notes To The Financial Statements	29 - 41
Statement By Directors	42
Statutory Declaration	42

Directors' Report

For the year ended 31st August, 2001

The directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the year ended 31st August, 2001.

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 year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Net profit after taxation	10,867,447	5,960,390
Unappropriated profit brought forward	16,348,334	43,785
Profit available for appropriation	<u>27,215,781</u>	<u>6,004,175</u>
Interim dividend	(6,000,000)	(6,000,000)
Unappropriated profit carried forward	<u>21,215,781</u>	<u>4,175</u>

DIVIDENDS

Dividend paid by the Company since the end of previous financial year was as follows :-

In respect of financial year ended 31st August, 2001

Interim ordinary dividend of RM0.10 tax exempt paid on 29th June, 2001

RM6,000,000

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year 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 financial statements of the Company and of the Group.

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 financial statements 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 year 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 year.

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 year 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 financial statements of the Company and of the Group that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company and of the Group for the financial year 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 year 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 year.

ISSUE OF SHARES

During the financial year the following shares were issued by the Company at RM1.60 each :-

Class	Number	Term of Issue	Purpose of Issue
Ordinary RM1	9,000,000	Cash	Working Capital

OPTIONS

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

DIRECTORS OF THE COMPANY

The directors who served since the end of previous financial year are :-

MAJID BIN MAT LAZIM
CHANG AH NGAU
MOHD. ZAHIRI BIN DATO' HAJI MAULUD
LEE KHIM SIN
WONG SEE MING

(Appointed on 29th January, 2001)

In accordance with the Articles of Association, Majid Bin Mat Lazim retires from the Board at the Annual General Meeting and being eligible, offers himself for re-election.

The Directors who held office at the end of the financial year had, according to the Register of Directors' shareholdings, interests in the shares of the Company and its related corporations are as follows :-

Shareholdings in the name of the Director	Number of Ordinary RM1 Shares			Balance 31.08.2001
	Balance 01.09.2000	Bought	Sold	
WONG SEE MING	-	300,000	-	300,000
MOHD. ZAHIRI BIN DATO' HAJI MAULUD	-	10,000	-	10,000

Shareholdings in which the Director is deemed to have an interest	Number of Ordinary RM1 Shares			Balance 31.08.2001
	Balance 01.09.2000	Bought	Sold	
CHANG AH NGAU	38,249,999	-	-	38,249,999
MAJID BIN MAT LAZIM	33,149,999	-	-	33,149,999
WONG SEE MING	-	33,149,999	-	33,149,999

DIRECTORS OF THE COMPANY (Cont'd)

SEPANG HEIGHTS SDN. BHD. (Holding Company)	Number of Ordinary RM1 Shares			Balance 31.08.2001
	Balance 01.09.2000	Bought	Sold	
MAJID BIN MAT LAZIM	400,000	-	-	400,000
CHANG AH NGAU	100,000	-	50,000	50,000
CASH FLOW BUDGET SDN. BHD.				
CHANG AH NGAU	99,999	-	-	99,999

DIRECTORS' BENEFITS

Since the end of previous financial year, 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 financial statements) 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 year, 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.

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., Chartered Accountants, have indicated their willingness to continue in office.

Signed On behalf of the Board of Directors
in accordance with their resolution dated 27th December, 2001

CHANG AH NGAU

Managing Director

WONG SEE MING

Executive Director

Petaling Jaya,
27 December, 2001

Report Of The Auditors To The Member of

NWP Holdings Berhad and Its Subsidiary (Incorporated in Malaysia)

FINANCIAL STATEMENTS – 31st August, 2001

We have audited the accompanying balance sheet of **NWP HOLDINGS BERHAD**, as at 31st August, 2001 and the related income and cash flow statements for the year ended as set out on pages 21 to 41. 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, 2001 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 financial statements of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for these purposes.

The auditors' report on the financial statements of the subsidiary was 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

Chartered Accountants

YEAP CHENG CHUAN

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

Chartered Accountant

Petaling Jaya,

27 December, 2001

Consolidated Balance Sheet

31st August, 2001

	Note	2001 RM	2000 RM
PROPERTY, PLANT & EQUIPMENT	4	32,255,074	20,131,505
CURRENT ASSETS			
Stocks	6	13,005,536	15,792,155
Trade receivables	8	6,564,802	5,202,388
Other receivables & deposits		278,732	258,466
Fixed deposits		-	3,067,888
Cash & bank balances		36,603,273	26,809,627
		56,452,343	51,130,524
Less :			
CURRENT LIABILITIES			
Trade payables		834,566	1,336,564
Other payables & accruals		302,402	477,924
Bills payable	9	1,824,000	2,332,000
Taxation		486,439	184,524
		3,447,407	4,331,012
Net current assets		53,004,936	46,799,512
EXPENDITURE CARRIED FORWARD, at cost			
Listing expenses		-	437,901
		85,260,010	67,368,918
Represented by :-			
SHARE CAPITAL	10	60,000,000	51,000,000
SHARE PREMIUM		4,018,960	-
UNAPPROPRIATED PROFIT		21,215,781	16,348,334
		85,234,741	67,348,334
HIRE PURCHASE CREDITORS	11	25,269	20,584
		85,260,010	67,368,918

The above consolidated balance sheet is to be read in conjunction with the notes to financial statements on pages 29 - 41.

Auditors' Report – Page 20.

Consolidated Statement Of Changes In Equity

For the year ended 31st August, 2001

	Note	Share Capital RM	Non-Distributable		Distributable	Total RM
			Share Premium RM	Reserves RM	Unappropriated Profit 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	19	-	-	-	(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
Balance at 1st September, 2000		51,000,000	-	-	16,348,334	67,348,334
Issuance of shares at premium		-	5,400,000	-	-	5,400,000
Listing expenses written off		-	(1,381,040)	-	-	(1,381,040)
Public issue		9,000,000	-	-	-	9,000,000
Net profit for the year		-	-	-	10,867,447	10,867,447
Dividend	19	-	-	-	(6,000,000)	(6,000,000)
Balance at 31st August, 2001		60,000,000	4,018,960	-	21,215,781	85,234,741

The above consolidated statement of changes in equity is to be read in conjunction with the notes to financial statements on pages 29 – 41.

Auditors' Report – Page 20.

Consolidated Income Statement

For the year ended 31st August, 2001

	Note	2001 RM	2000 RM
Revenue	12	54,654,836	56,414,980
Cost of sales	13	(42,041,278)	(44,040,912)
Gross profit		12,613,558	12,374,068
Other operating income	14	56,477	590,868
Administrative expenses		(1,146,457)	(978,242)
Other operating expenses		(102,379)	(287,699)
Finance cost	15	(155,641)	(228,050)
Profit before taxation	14	11,265,558	11,470,945
Taxation	16	(398,111)	(166,611)
Profit after taxation		10,867,447	11,304,334
Basic earnings per share	17	RM0.19	RM1.78
Fully diluted earnings per share		-	-

The above consolidated income statement is to be read in conjunction with the notes to financial statements on pages 29 – 41.

Auditors' Report – Page 20.

Consolidated Cash Flow Statement

For the year ended 31st August, 2001

	Note	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES :-			
Profit before taxation		11,265,558	11,470,945
Adjustments for :-			
Depreciation		1,746,814	1,745,462
Interest expense		91,390	136,595
Interest income		(74,909)	(571,258)
Loss/(Gain) on disposal of plant and equipment		3,413	(3,015)
Reserve		-	(6,000)
Operating profit before working capital changes		13,032,266	12,772,729
Decrease/(Increase) in stocks		2,786,619	(5,849,448)
(Decrease)/Increase in trade and other payables		(1,185,520)	7,216,671
Increase in trade and other receivables		(1,382,680)	(7,560,049)
Cash generated from operations		13,250,685	6,579,903
Interest paid		(91,390)	(136,595)
Interest received		74,909	571,258
Tax (refund)/paid		(96,196)	14,937
Net cash absorbed by operating activities		13,138,008	7,029,503
CASH FLOWS FROM INVESTING ACTIVITIES :-			
Purchase of property, plant and equipment		(13,883,430)	(8,878)
Proceeds from disposal of plant and equipment		9,634	16,443
Net cash (used)/provided by investing activities		(13,873,796)	7,565
CASH FLOWS FROM FINANCING ACTIVITIES :-			
Proceeds from hire purchase		35,000	-
Proceeds from public issue		14,400,000	4,965,286
Payment of listing expenses		(943,139)	(437,901)
Dividend paid		(6,000,000)	(2,550,000)
Repayment of hire purchase creditors		(30,315)	(463,851)
Net cash provided by financing activities		7,461,546	1,513,534
Net increase in cash and cash equivalents		6,725,758	8,550,602
Cash and cash equivalents brought forward		29,877,515	21,326,913
Cash and cash equivalents carried forward	18	36,603,273	29,877,515

The above consolidated cash flow statement is to be read in conjunction with the notes to financial statements on pages 29 - 41.

Auditors' Report – Page 20.

Balance Sheet

31st August, 2001

	Note	2001 RM	2000 RM
SUBSIDIARY COMPANY	5	53,640,714	53,640,714
CURRENT ASSETS			
Deposit & prepayment		1,900	-
Amount due by subsidiary	7	17,984,633	4,525,383
Cash & bank balances		9,362	44,111
		17,995,895	4,569,494
Less :			
CURRENT LIABILITIES			
Other payables & accrued liabilities		13,474	4,324
Net current assets		17,982,421	4,565,170
EXPENDITURE CARRIED FORWARD, at cost			
Listing expenses		-	437,901
		<u>71,623,135</u>	<u>58,643,785</u>
Represented by :-			
SHARE CAPITAL	10	60,000,000	51,000,000
SHARE PREMIUM		11,618,960	7,600,000
UNAPPROPRIATED PROFIT		4,175	43,785
		<u>71,623,135</u>	<u>58,643,785</u>

The above balance sheet is to be read in conjunction with the notes on the financial statements on pages 29 – 41.

Auditors' Report – Page 20.

Statement Of Changes In Equity

For the year ended 31st August, 2001

	Note	Share Capital RM	Non- Distributable Share Premium RM	Distributable Unappropriated Profit RM	Total RM
At date of incorporation		2	-	-	2
Rights issue		4,965,284	-	-	4,965,284
Issuance of share at premium		46,034,714	7,600,000	-	53,634,714
Net profit for the period		-	-	2,593,785	2,593,785
Dividends		-	-	(2,550,000)	(2,550,000)
Balance at 31st August, 2000		51,000,000	7,600,000	43,785	58,643,785
Public issue		9,000,000	-	-	9,000,000
Issuance of shares at premium		-	5,400,000	-	5,400,000
Listing expenses written off		-	(1,381,040)	-	(1,381,040)
Net profit for the year		-	-	5,960,390	5,960,390
Dividends	19	-	-	(6,000,000)	(6,000,000)
Balance at 31st August, 2001		60,000,000	11,618,960	4,175	71,623,135

The above statement of changes in equity is to be read in conjunction with the notes to financial statements on pages 29 - 41.

Auditors' Report - Page 20.

Income Statement

For the year ended 31st August, 2001

	Note	01.09.2000 to 31.08.2001 RM	05.10.1999 to 31.08.2000 RM
Revenue	12	6,015,019	2,600,000
Administration expenses		(38,291)	(479)
Other operating expenses		(16,094)	(5,736)
Finance cost	15	(244)	-
Profit before taxation	14	5,960,390	2,593,785
Taxation	16	-	-
Net profit after taxation		5,960,390	2,593,785
Basic earnings per share	17	RM0.10	RM 0.41
Fully diluted earnings per share		-	-

The above income statement is to be read in conjunction with the notes to financial statements on pages 29 - 41.

Auditors' Report - Page 20.

Cash Flow Statement

For the year ended 31st August, 2001

	Note	01.09.2000 to 31.08.2001 RM	05.10.1999 to 31.08.2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES :-			
Net profit for the year		5,960,390	2,593,785
Adjustments for :-			
Interest income		(15,019)	-
Dividend income		(6,000,000)	(2,600,000)
Operating loss before working capital changes		(54,629)	(6,215)
Increase in receivables		(13,461,150)	(4,525,383)
Increase in payables		9,150	4,324
Cash generated from operation		(13,506,629)	(4,527,274)
Interest received		15,019	-
Net cash used in operating activities		(13,491,610)	(4,527,274)
CASH FLOWS FROM INVESTING ACTIVITIES :-			
Acquisition of subsidiary		-	(53,640,714)
Dividend received		6,000,000	2,600,000
Net cash provided/(used) in investing activities		6,000,000	(51,040,714)
CASH FLOWS FROM FINANCING ACTIVITIES :-			
Proceeds from issuance of share capital		9,000,000	58,600,000
Issuance of share capital at premium		5,400,000	-
Payment of listing expenses		(943,139)	(437,901)
Dividend paid		(6,000,000)	(2,550,000)
Net cash from financing activities		7,456,861	55,612,099
Net (decrease)/increase in cash and cash equivalents		(34,749)	44,111
Cash and cash equivalents brought forward		44,111	-
Cash and cash equivalents carried forward	18	9,362	44,111

The above cash flow statement is to be read in conjunction with the notes to financial statements on pages 29 – 41.

Auditors' Report – Page 20.

Notes To The Financial Statements

31st August, 2001

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 year.

The address of the principal place of business of the Company is :-

63C, Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the approved accounting standards of the Malaysian Accounting Standards Board.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) *Accounting Convention*

The financial statements 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 have been written off against Share Premium upon completion of the listing exercise.

(c) *Basis of Consolidation*

The consolidated financial statements incorporate the audited financial statements of the Company and its subsidiary made up to 31st August, 2001.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) *Property, Plant and Equipment*

All property, plant and equipment are stated at cost/valuation less accumulated depreciation.

Surplus arising from revaluation are dealt with in the asset revaluation reserve account.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of cost or net realisable value.

(f) *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. Leasehold land is amortised in equal instalments over the period of the lease ranging from 64 to 96 years.

All other assets are depreciated 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
Plant & machinery	10
Motor vehicles	20
Electrical installation	10
Furniture, fittings & office equipment	10
Factory equipment & tools	10
Office renovation	10

Gains and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit/loss from operations.

(g) *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.

(h) *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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) *Foreign Currency Conversion*

Transaction in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates. All exchange differences are taken to the income statement.

The principal closing rate used in transaction of foreign currency amount was as follows :-

Foreign Currency	2001	2000
1 US Dollar	<u>RM3.80</u>	<u>RM3.80</u>

(j) *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 are recognised as and when they are received.

c) *Income from Services*

Income is recognised as services are rendered.

d) *Interest income*

Interest income is recognised on a time proportion basis.

(k) *Cash and Cash Equivalents*

Cash comprises cash in hand and bank demand deposits. Cash equivalents are short term, highly liquid investment that are readily convertible to known amount subject to an insignificant risk of changes in values, against which the bank overdraft, if any, are deducted.

(l) *Provisions*

Provision are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursements recognised as a separate assets but only when the reimbursement is virtually certain.

Employee Leave Entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to the employees. A provision is made for the estimated liability for unutilised annual leave and long service as a result of services rendered by employees up to the balance sheet date.

4. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows :-

THE GROUP

2001 Cost	Balance At 1st Sept RM	Addition RM	Disposal RM	Balance At 31st Aug RM
Factory building :-				
- Cost	10,389,191	34,108	-	10,423,299
- Revaluation	953,161	-	-	953,161
Leasehold land :-				
- Cost	333,466	-	-	333,466
- Revaluation	2,625,586	-	-	2,625,586
Plant & machinery	13,398,601	12,689,719	-	26,088,320
Motor vehicles	763,539	225,000	(20,000)	968,539
Electrical installation	362,865	768,900	-	1,131,765
Furniture, fittings & office equipment	167,848	35,311	(2,400)	200,759
Factory equipment & tools	39,968	3,759	-	43,727
Office renovation	41,887	-	-	41,887
Staff quarters	-	126,633	-	126,633
	29,076,112	13,883,430	(22,400)	42,937,142

Accumulated Depreciation	Balance At 1st Sept RM	Charge for the year RM	Disposal RM	Balance At 31st Aug RM
Factory building :-				
- Cost	1,375,746	208,011	-	1,583,757
- Revaluation	152,505	19,063	-	171,568
Leasehold land :-				
- Cost	4,983	4,983	-	9,966
- Revaluation	35,811	35,811	-	71,622
Plant & machinery	6,224,673	1,392,899	-	7,617,572
Motor vehicles	732,459	23,808	(8,333)	747,934
Electrical installation	299,345	36,340	-	335,685
Furniture, fittings & office equipment	79,316	17,510	(1,020)	95,806
Factory equipment & tools	25,460	3,989	-	29,449
Office renovation	14,309	4,189	-	18,498
Staff quarters	-	211	-	211
	8,944,607	1,746,814	(9,353)	10,682,068

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Net Book Value	2001 RM	2000 RM
Factory building :-		
- Cost	8,839,542	9,013,445
- Revaluation	781,593	800,656
Leasehold land :-		
- Cost	323,500	328,483
- Revaluation	2,553,964	2,589,775
Plant & machinery	18,470,748	7,173,928
Motor vehicles	220,605	31,080
Electrical installation	796,080	63,520
Furniture, fittings & office equipment	104,953	88,532
Factory equipment & tools	14,278	14,508
Office renovation	23,389	27,578
Staff quarters	126,422	-
	32,255,074	20,131,505

- (a) Detail of independent professional valuation of properties owned by the subsidiary at 31st August, 2001 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

The net book value of assets stated at valuation had they been stated at cost less accumulated depreciation would have been RM 9,001,440 (2000 : RM9,341,928) in respect of the Group.

- (b) Property, plant and equipment include the following assets which are acquired under hire purchase contracts :-

	THE GROUP		THE COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Plant and machinery	72,000	72,000	-	-
Motor vehicles	133,200	71,000	-	-
	205,200	143,000	-	-

The property, plant and equipment of the Group with net book value of RM32,255,074 (2000 : RM20,131,505) were charged to a licensed bank as security for banking facilities.

5. SUBSIDIARY COMPANY

	The Company	
	2001	2000
Unquoted shares, at cost	<u>RM53,640,714</u>	<u>RM53,640,714</u>

The subsidiary company as at 31st August, 2001 is :-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2001	2000
NWP Industries Sdn. Bhd.	Malaysia	Manufacturing and selling of timber products	100%	100%

6. STOCKS

The details of stocks are as follows :-

	The Group	
	2001 RM	2000 RM
Raw materials – realisable value	12,228,467	14,510,158
Work-in-progress – cost	146,963	81,476
Finished goods – cost	630,106	1,200,521
	<u>13,005,536</u>	<u>15,792,155</u>

7. AMOUNT DUE BY SUBSIDIARY

The amount due by subsidiary company is unsecured, interest free and has no fixed terms of repayment.

8. TRADE RECEIVABLES

	The Group	
	2001	2000
Trade receivables	<u>RM6,564,802</u>	<u>RM5,202,388</u>

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

9. BILLS PAYABLE

	The Group	
	2001	2000
-Secured	<u>RM1,824,000</u>	<u>RM2,332,000</u>

Bills payable bear interests at between 3.4% to 3.6% per annum (2000 : 5.2% to 5.5%) above the base lending rate are repayable within 12 months and are secured against the fixed and floating assets of the Company and jointly and severally guaranteed by two of the directors.

10. SHARE CAPITAL

	2001 RM	2000 RM
Authorised		
Ordinary shares of RM1/- each :-		
- Balance as at 1st September/ date of incorporation	100,000,000	100,000
- Created during the year	-	99,900,000
- Balance as at 31st August	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid up		
Ordinary shares of RM1/- each :-		
- Balance as at 1st September/ date of incorporation	51,000,000	2
- Issued – pursuant to the acquisition of subsidiary	-	46,034,714
- Rights issue	-	4,965,284
- Public issue	9,000,000	-
- Balance as at 31st August	<u>60,000,000</u>	<u>51,000,000</u>

During the financial year, the Company's issued capital was increased to RM60,000,000 through a public offering of 9,000,000 ordinary shares of RM1 each, issued at a premium of 60 sen each. The resulting premium of RM5,400,000 has been credited to share premium account. The new shares rank pari passu to the existing shares of the Company.

11. HIRE PURCHASE CREDITORS

	The Group	
	2001 RM	2000 RM
Amount outstanding	25,269	20,584
Less : Amount payable within 12 months	<u>(11,678)</u>	<u>(20,584)</u>
Amount payable after 12 months	<u>13,591</u>	<u>-</u>

The commitment terms of more than one year under hire purchase contract are summarised as follow :-

	2001 RM	2000 RM
Gross amount payable :-		
Within one year	14,040	26,404
Between one & two years	<u>16,348</u>	<u>-</u>
	30,388	26,404
Less : Unexpired interest	<u>(5,119)</u>	<u>(5,820)</u>
	25,269	20,584
Less : Portion payable within 12 months	<u>(11,678)</u>	<u>(20,584)</u>
	<u>(13,591)</u>	<u>-</u>

12. REVENUE

Revenue of the Company represents dividend income and fixed deposit interest received. Revenue of the Group represents dividend income, fixed deposits interest received and the invoiced value of sales less returns and discounts allowed. Revenue of the Group excludes intergroup transaction.

13. COST OF SALES

Included in the cost of sales are depreciation of electrical installation, factory building, factory equipment, tools, equipment, plant and machinery, staff quarter amounted to RM1,701,307 (2000 : RM1,647,461).

14. PROFIT BEFORE TAXATION

	The Group	
Profit before taxation is stated :-	2001	2000
	RM	RM
After charging :-		
Auditors' remuneration	15,000	15,000
Preliminary expenses	-	1,630
Pre-operation expenses	-	1,677
Directors' remuneration :-		
Company's directors		
- Directors' fee	42,000	12,000
- Directors' allowance	48,160	50,400
- Directors' salaries	48,065	45,400
- Other emoluments	6,615	5,448
Hire purchase interest	7,789	99,069
Bank overdraft interest	83,601	37,526
Depreciation	1,746,814	1,745,463
Rental	30,550	19,050
Staff costs	496,652	588,684
Loss on disposal of property, plant and equipment	3,413	-
Consultancy fee paid to director	-	10,000
	<hr/>	<hr/>
And crediting :-		
Fixed deposit interest received	59,890	571,258
Interest received	15,019	-
Gain on foreign exchange - realised	-	16,595
Gain on disposal of plant and equipment	-	3,015
	<hr/>	<hr/>
	The Company	
Profit before taxation is stated :-	2001	2000
	RM	RM
After charging :-		
Auditors' remuneration	2,000	2,000
	<hr/>	<hr/>
And crediting :-		
Interest received	15,019	-
	<hr/>	<hr/>

15. FINANCE COST

	The Group	
	2001 RM	2000 RM
Finance cost consist of :-		
Bank charges & commission	64,251	91,455
Interest on hire purchase	7,789	99,069
Interest on bank overdraft	83,601	37,526
	155,641	228,050

	The Company	
	2001 RM	2000 RM
Finance cost consists of :-		
Bank charges & commission	244	-
	244	-

16. TAXATION

	The Group	
	2001 RM	2000 RM
Taxation based on the profit :-		
- Current year provision	(398,111)	(167,000)
- Overprovision in prior year	-	389
	398,111	166,611

	The Company	
	2001 RM	2000 RM
Taxation based on the profit :-		
- Current year provision	-	-
	-	-

The taxation charged 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 has expired on 30th June, 2001. In addition, it has unabsorbed capital allowances amounting to RM459,775 (2000 : RM164,200) as at 31st August, 2001 (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. Fixed deposit interest is taxed under Section 4 (c) of the Income Tax Act, 1965.

16. TAXATION (Cont'd)

The Company is not subjected to tax for the current financial year as its main source of revenue was a tax exempt dividend received from its subsidiary.

All timing differences have been accounted for in the financial statements of the Group.

17. EARNINGS PER SHARE

The earnings per share has been calculated based on the profit after taxation of RM10,867,447 (2000 : RM11,304,334) for the Group and RM5,960,390 (2000 : RM2,593,785) for the Company on the weighted average number of 58,668,493 (2000 : 6,344,433) ordinary shares of RM1/- each in issue during the year.

18. CASH AND CASH EQUIVALENTS

	The Group	
	2001 RM	2000 RM
Cash and bank balances	36,603,273	26,809,627
Fixed deposits	-	3,067,888
	<u>36,603,273</u>	<u>29,877,515</u>

	The Company	
	2001	2000
Cash and bank balances	<u>RM9,362</u>	<u>RM44,111</u>

19. DIVIDENDS

	2001	2000
Interim tax exempt dividend of RM0.10 (2000 : RM0.05)	<u>RM6,000,000</u>	<u>RM2,550,000</u>

20. HOLDING COMPANY

The holding company is Sepang Heights Sdn. Bhd., a company incorporated in Malaysia which holds 55.25% equity of the Company.

21. 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.

22. RELATED PARTY TRANSACTION

	The Company	
	2001	2000
Tax exempt dividend received from subsidiary company	<u>RM6,000,000</u>	<u>RM2,550,000</u>

23. CAPITAL COMMITMENTS

	The Group	
	2001	2000
Capital expenditure approved but not contracted for	<u>-</u>	<u>RM10,000,000</u>

24. NUMBER OF EMPLOYEES AND REGISTERED OFFICE

The number of employees in the Company and the Group at the end of the financial year were 4 (2000 : 4) and 304 (2000 : 304) respectively. The registered office of the Company is located at Unit 1119, 11th Floor, Block A, Damansara Intan, No. 1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

Statement By Directors

We, **CHANG AH NGAU** and **WONG SEE MING**, being two of the Directors of **NWP HOLDINGS BERHAD**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 21 to 41 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to exhibit a true and fair view of the state of affairs of the Group and the Company as at 31st August, 2001 and of the results and cash flows of the Group and the Company for the year then ended.

Signed at Petaling Jaya this 27 day of December, 2001

Signed on behalf of the Board of Director in accordance with their resolution dated 27th December, 2001

CHANG AH NGAU

Managing Director

WONG SEE MING

Executive Director

Statutory Declaration

I, **WONG SEE MING**, being the Director primarily responsible for the financial management of **NWP HOLDINGS BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 21 to 41 are 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 **WONG SEE MING**
at Petaling Jaya this 27 day of December, 2001

WONG SEE MING

Before me,

KAN MANG FONG (PPN)

Commissioner for Oaths

Kuala Lumpur

List Of Properties

As At 31 December, 2001

Location	Description/ Existing Use	Tenure/ Expiry Date	Land Area/ Built-up Area (sq ft)	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, kiln drying bays, boiler building, stacking sheds, labourline, canteen and a timber workshop.	99 years lease expiring on 31 December 2064	435,600	7,250,560	8
Country Lease 025348298, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah	Consist of machinery sheds, generator set room, kiln 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	288,803	5,248,038	5

Analysis Of Shareholdings

As At 31 December, 2001

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	:	One vote per shareholder on a show of hands One vote per share on a poll

SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shares	Percentage	No. of Shareholders	Percentage
1 – 499	1	0.00	1	0.12
500 – 5,000	940,001	1.57	721	89.34
5,001 – 10,000	372,000	0.62	42	5.20
10,001 – 100,000	800,000	1.33	30	3.72
100,001 – 1,000,000	1,850,000	3.08	5	0.62
Above 1,000,000	56,037,998	93.40	8	0.99
TOTAL	60,000,00	100.00	807	100.00

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	Percentage
1	Sepang Heights Sdn Bhd	33,149,999	55.25
2	Fibre Optic World Sdn Bhd	6,159,099	10.27
3	Cashflow Budget Sdn Bhd	5,100,000	8.50
4	Tibow Sawmill Sdn Bhd	2,940,150	4.90
5	Chan Wai Peng	2,710,000	4.52
6	Tegas Erti Sdn Bhd	2,550,000	4.25
7	Ding Ming Tiong	1,732,750	2.89
8	Vector Thunder Sdn Bhd	1,697,000	2.83
9	Pang Kwee Yin	1,000,000	1.67
10	Wong Siew Fong	300,000	0.50
11	Wong See Ming	300,000	0.50
12	Teh Beng Geok	140,000	0.23
13	Wong Set Moi	124,000	0.21
14	Hong Leong Finance Berhad <i>Pledged Securities Account For Tan Seng Leong</i>	86,000	0.14
15	Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Chor Wah</i>	70,000	0.12
16	Liew Siew Kian	55,000	0.09
17	Teh Kim Ann	50,000	0.08
18	Wong Lee Kong	43,000	0.07
19	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chan Whye Lan @ Chin Pok Lah</i>	38,000	0.06
20	Teh Sew Wan	36,000	0.06
21	Chew Hooi Tow	36,000	0.06
22	Ang Yen Peng	28,000	0.05
23	OSK Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Liew Siew Kian</i>	25,000	0.04
24	Loke Han Pin	24,000	0.04
25	Yap Kui Song @ Yap Seng Foong	23,000	0.04
26	Wong Kim Seng	21,000	0.04
27	Fong Ling Sendirian Berhad	20,000	0.03
28	Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Yap Eng Chuan</i>	20,000	0.03
29	Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chua Lin Chai</i>	20,000	0.03
30	Akira Homma	20,000	0.03

List Of Substantial Shareholders

As At 31 December, 2001

Name of Substantial Shareholders	No. of Shares	%
Chang Ah Ngau	38,249,999 (Indirect)*	63.75
Majid Bin Mat Lazim	33,149,999 (Indirect)**	55.25
Wong See Ming	33,149,999 (Indirect)**	55.25
Sepang Heights Sdn Bhd	33,149,999	55.25
Fibre Optic World Sdn Bhd	6,159,099	10.27
Cashflow Budget Sdn Bhd	5,100,000	8.50

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 31 December, 2001

Name	NWP Holdings Berhad	
	Direct Interest	Indirect Interest
	No. of ordinary shares of RM1.00 each	
Chang Ah Ngau	-	38,249,999 *
Majid Bin Mat Lazim	-	33,149,999**
Wong See Ming	300,000	33,149,999**
Mohd. Zahiri Bin Dato' Haji Maulud	10,000	-

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.

APPENDIX A

Amendments To The Articles Of Association

DETAILS OF PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The existing Articles of Association of the Company ('the existing Articles') are amended by the alterations, modifications, deletions and/or additions (in bold), wherever necessary whereby the existing Articles are reproduced here with the Proposed Amendments to the Articles of Association of the Company alongside it.

EXISTING ARTICLES	PROPOSED ARTICLES
2. <u>Definitions</u>	2. <u>Definitions</u> To insert the following new definition immediately after "Central Depository":- <u>Central Depositories Act</u> Securities Industry (Central Depositories) Act 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force. To insert the following new definition immediately after "the Secretary":- <u>Securities</u> Shall have the meaning given in Section 2 of the Securities Commission Act 1993.
5. <u>Rights of preference shareholders</u>	5. <u>Rights of preference shareholders</u> To delete existing Article 5(2) in its entirety and replace with :-
5. (2) Preference shareholders shall have the same rights as ordinary shareholders as regards the receiving of notices, reports and balance sheets and the attending of general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears.	5. (2) The holder of a preference share must be entitled to a right to vote in each of the following circumstances:- (a) when the dividend or part of the dividend on the share is in arrears for more than six (6) months; (b) on a proposal to reduce the Company's share capital; (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

EXISTING ARTICLES

PROPOSED ARTICLES

(d) on a proposal that affects rights attached to the share;

(e) on a proposal to wind up the Company; and

(f) during the winding up of the Company.

(3) The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.

(4) A holder of a preference share must be entitled to the same rights as a holder of an ordinary share in relation to receiving notices, reports and audited accounts, and attending meetings.

27. Suspension of Registration

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole, thirty (30) days in any year. Eighteen (18) market days' notice, or such other period as may from time to time be specified by the Stock Exchange governing the Registrar concerned, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules, to the Central Depository to prepare the appropriate Record of Depositors.

27. Suspension of Registration

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole, thirty (30) days in any year. **Twelve (12)** market days' notice, or such other period as may from time to time be specified by the Stock Exchange governing the Registrar concerned, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules, to the Central Depository to prepare the appropriate Record of Depositors.

47. Offer of unissued original shares and new shares

(1) Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and any new shares from time to time to be created shall, before they are issued, be offered to the Members in proportion as nearly as may be to the number of shares held by them. Such offer shall be made by notice specifying the number of

47. Offer of new shares to Members

(1) Subject to any direction to the contrary that may be given by the Company in general meeting, **all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the**

EXISTING ARTICLES

shares offered and limiting a time within which the offer, if not accepted or renounced, will be deemed to be declined, and, after the expiration of such time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may, subject to these articles, dispose of those shares in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new or original shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in the manner herein before provided.

53. Notice of meeting

Subject to the provisions of the Act relating to convening meetings to pass special resolutions, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all Members at least fourteen (14) days before the meeting. Any notice of a meeting called to consider special business shall specify the general nature of such business and shall so be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notice of general meetings from the Company. At least fourteen (14) days' notice of every such meeting shall be given by advertisement in the daily press and in writing to the Stock Exchange upon which the Company is listed, such that notices of all meetings shall be given to such Stock Exchange and advertised in the press at the same time as shareholders are notified.

PROPOSED ARTICLES

circumstances admit, to the amount of the existing shares or securities to which they are entitled. Such offer shall be made by notice specifying the number of shares **or securities** offered, and limiting a time within which the offer, if not accepted or renounced, will be deemed to be declined, and, after the expiration of such time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares **or securities** offered, the Directors may, subject to these articles, dispose of those shares **or securities** in such manner as they think most beneficial to the Company. The Directors may **likewise also dispose of any such new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this article.**

53. Notice of meeting

The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all Members at least fourteen (14) days before the meeting or twenty-one (21) days before the meeting where special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall specify the general nature of such business and shall so be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. **At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting,** of every such meeting shall be given by advertisement in the daily press and in writing to **each** Stock Exchange upon which the Company is listed, such that notices of all meetings shall be given to such Stock Exchange and advertised in the press at the same time as shareholders are notified.

EXISTING ARTICLES

Nil

77. Retirement of Directors

At the first annual general meeting of the Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election. PROVIDED ALWAYS that all Directors except the Managing Director, appointed for a fixed period pursuant to these Articles shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

88. When office of Director deemed vacant

91. Directors' borrowing power

The Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of money as they think proper.

PROPOSED ARTICLES

70A Appointment of more than one proxy

To insert the following new Article 70A :

70A Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

77. Retirement of Directors

At the first annual general meeting of the Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election. PROVIDED ALWAYS that **all Directors shall retire from office once at least in each three (3) years** but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

88. When office of Director deemed vacant

To insert the following new Article 88 **(h)**:-

(h) is absent from more than 50% of the total Board of Directors' meetings held during a financial year.

91. Scope of Directors' borrowing power

To delete existing Article 91 in its entirety and replace with:-

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereto, and to issue debentures, debenture stock and

EXISTING ARTICLES

116. Special position of Managing Director

A Managing Director shall not while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, but shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause he shall ipso facto and immediately cease to be a Managing Director.

131. To whom copies of profit and loss account etc. may be sent

The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting, such profit and loss accounts, balance sheets and reports as are referred to in the Section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed six (6) months. A copy of each such document shall not less than fourteen (14) days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting pursuant to Article 150(3)), be sent to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Stock Exchange upon which the Company's shares may be listed, shall at the same time be likewise sent to each Stock Exchange provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, or to more than one (1) of joint holders but any Member to whom a copy of these documents has not been sent shall be

PROPOSED ARTICLES

other securities whether outright or as security for any debt liability or obligation of the Company or of its related companies only.

116. Special position of Managing Director

A Managing Director **shall be subject to retirement by rotation pursuant to Article 77 hereof and shall be reckoned** as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, **and** shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause he shall ipso facto and immediately cease to be a Managing Director.

131. Presentation of accounts

The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting, such profit and loss accounts, balance sheets and reports as are referred to in the Section. The interval between the close of a financial year of the Company and the issue of **the annual audited accounts, the Director' and Auditors' reports to the Exchange upon which the Company is listed** shall not exceed **four (4)** months. A copy of each such document shall not less than **twenty-one (21)** days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting pursuant to Article 150(3)), be sent to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Stock Exchange upon which the Company's shares may be listed, shall at the same time be likewise sent to each Stock Exchange provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, or to more than one (1) of joint holders but any Member to whom a copy of these

EXISTING ARTICLES

entitled to receive a copy, free of charge on application at the Company's Office.

150. Who may receive notice of general meeting

(4) At least fourteen (14) days' notice of every general meeting shall be given by advertisement in one (1) issue of a daily newspaper circulating in West Malaysia.

151. Distribution of assets in specie

If the Company is wound up and the liquidator may, with the sanction of a special resolution of the Company, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

Nil

Nil

PROPOSED ARTICLES

documents has not been sent shall be entitled to receive a copy, free of charge on application at the Company's Office.

150. Who may receive notice of general meeting

(4) At least fourteen (14) days' notice of general meeting **or twenty-one (21) days' notice in case where any special resolution is proposed or where it is the annual general meeting**, shall be given by advertisement in one (1) issue of a daily newspaper circulating in **Malaysia**.

151. Distribution of assets in specie

(1) If the Company is wound up and the liquidator may, with the sanction of a special resolution of the Company, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

(2) **The basis on which shareholders will participate in a distribution of assets on a winding-up shall be expressed.**

157. Effect of the Listing Requirements

To insert the following new Article 157:-

157. (a) **Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.**

EXISTING ARTICLES

PROPOSED ARTICLES

- (b) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.
- (c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (d) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.
- (e) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.
- (f) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.
- (g) For the purpose of these Articles, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendment to the Listing Requirements that may be made from time to time.

To insert the following new Article 158:-

Nil

- 158. The Company shall comply with the provisions of the relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time, or any other directive or requirement imposed by the Exchange, the Central Depository and other appropriate authorities, to the extent required by law, notwithstanding any provisions in these Articles to the contrary.**

This page is left blank intentionally



PROXY FORM

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 Second Annual General Meeting of the Company to be held at Tiara Zamrud, Hotel Singgahsana, Persiaran Barat, Off Jalan Sultan 46760 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 19 February 2002 at 10.30 a.m. and at any adjournment thereof, as indicated below: -

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive and adopt the Audited Financial Statements of the Company for the year ended 31st August 2001 and the Reports of the Directors and Auditors thereon.		
2.	To re-elect Encik Majid Bin Mat Lazim as a Director.		
3.	To re-appoint Messrs. Yeap Cheng Chuan & Co as the Company's Auditors and to authorize the Directors to fix their remuneration.		
As Special Business:			
4.	<i>Ordinary Resolution</i> Authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
5.	<i>Special Resolution</i> To approve and adopt the amendments to the Articles of Association		

Please indicate with a cross (X) how you wish your votes to be casted 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 _____ 2002

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, 11th 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.

FOLD HERE

STAMP

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

FOLD HERE
