

2012
ANNUAL REPORT



Focus & Growth

Continuity

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NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the Company will be held at Melati Room, The Royale Bintang Damansara, 6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28th February 2013 at 9.00 a.m. for the following purposes: -

1. To receive the Audited Financial Statements of the Company for the year ended 31st August 2012 together with the Reports of the Directors and Auditors thereon. **(RESOLUTION 1)**
2. To pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:- **(RESOLUTION 2)**
"THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr. Lee Khim Sin who is over the age of seventy years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting.
3. To re-elect Datuk John Maluda, the Director retiring in accordance with Article 77 of the Company's Articles of Association. **(RESOLUTION 3)**
4. To appoint the Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration. **(RESOLUTION 4)**
"THAT Messrs. T.H. Kuan & Co. be and are hereby appointed Auditors of the Company in place of the retiring auditors Messrs TKNP International and to hold office until the conclusion of the next Annual General Meeting and that the directors be authorized to determine their remuneration."

AS SPECIAL BUSINESS: -

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

5. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965. **(RESOLUTION 5)**
"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, where required, the Directors be and are hereby authorized to allot and 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 AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND FURTHER THAT the Directors of the Company whether solely or jointly, be authorized to complete and do all such acts and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate."
6. To transact any other ordinary business of the Company for which due notice shall have been given.

By Order of the Board

MOHD ZAKIE BIN SOAD
(LS 0008268)
Company Secretary
5 February 2013
Selangor Darul Ehsan

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 may appoint not more than two (2) proxies to attend and vote at the meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized 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 authorized.
5. 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.

Explanatory Notes for the Special Business: -

6. The proposed Resolution No. 5, is seek a renewal of the general mandate for the directors of the Company to allot and 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 purpose 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 conclusion of the next Annual General Meeting.

As at the date of notice of meeting, no shares has been issued pursuant to the general mandate granted at the last Annual General Meeting of the Company.

The general mandate for issue of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing shares for the purpose of funding future investment, working capital and/or acquisition.

ANNEXTURE A

Wong Wee Kean
36 A&B, Jalan SS21/39,
Damansara Utama,
47400 Petaling Jaya
Selangor

Date : 18 January 2013

The Board of Directors
NWP Holdings Berhad
B-2-08, Jalan SS6/20
Dataran Glomac
Pusat Bandar Kelana Jaya
47301 Petaling Jaya

Dear Sirs

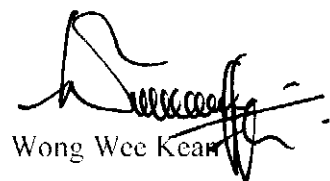
Notice Nomination of Messrs T. H. Kuan & Co. as Auditors

I, a member of the Company, hereby give notice, pursuant to Section 172(11) of the Companies Act, 1965 of my intent to nominate Messrs T. H. Kuan & Co. as Auditors of the Company in place of the retiring auditors, Messrs TKNP International and of my intention to propose the following resolution as an ordinary resolution at the forthcoming Annual General Meeting of the Company:-

Ordinary Resolution

“That Messrs T. H. Kuan & Co. be and are hereby appointed auditors of the Company in place of the retiring auditors Messrs TKNP International and to hold office until the conclusion of the next annual general meeting and that the directors be authorized to determine their remuneration.”

Yours faithfully,


Wong Wee Kean

STATEMENT ACCOMPANYING NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

1. The following directors are standing for re-election at the 13th Annual General Meeting: -

Pursuant to Section 129(6) of the Companies Act, 1965:-

Mr. Lee Khim Sin

Pursuant to Article 77 of the Company’s Articles of Association

Datuk John Maluda @ Wanji

2. Details of the Directors standing for re-election are set out in the Profile of Directors of the Annual Report.
3. The details of securities holdings of the Directors standing for re-election are as follows: -

- a) Mr. Lee Khim Sin

Ordinary shares : None (Indirect)

- b) Datuk John Maluda @ Wanji

Ordinary shares : None (Indirect)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr.Wong See Ming	(Chief Executive Officer)
Mr.Lee Khim Sin	(Independent Non- Executive Director)
Datuk John Maluda @ Wanji	(Independent Non- Executive Director)
Mr.Wong Wee Kean	(Independent Non- Executive Director)

AUDIT COMMITTEE

Mr. Lee Khim Sin (Chairman)
Datuk John Maluda @ Wanji
Mr. Wong Wee Kean

REMUNERATION COMMITTEE

Mr.Lee Khim Sin (Chairman)
Datuk John Maluda @ Wanji
Mr. Wong Wee Kean

INVESTMENT COMMITTEE

Mr.Wong See Ming (Chairman)
Mr.Wong Wee Kean

NOMINATION COMMITTEE

Mr. Lee Khim Sin (Chairman)
Datuk John Maluda @ Wanji
Mr. Wong Wee Kean

COMPANY SECRETARY

Encik Mohd Zakie Bin Soad
(LS 008268)

REGISTERED OFFICE

Unit 1119, 11th Floor, Block A, Damansara Intan,
No.1, Jalan SS 20/27, 47400 Petaling Jaya,
Selangor Darul Ehsan
Tel: +6(03) 7118 2892/3 Fax:+6(03) 7118 7799

AUDITORS

MESSRS TKNP International

SOLICITORS

SHUI- Tai Advocates & Solicitor

PRINCIPLE PLACE OF BUSINESS

Operation Office

56km, Jalan Kimanis, Beaufort Highway,
Kimanis, P.O . Box 362, 89608 Papar, Sabah
Malaysia
Tel : +6(088) 911 288 Fax:+6(088) 913 910

Administration and Marketing Office

Lot No.9, Block E, 1st Floor ,
Lintas Jaya New Uptownship,
Jalan Lintas Highway, 88300 Kota Kinabalu,
Sabah, Malaysia
Tel:+6(088)728 197 Fax:+6(088)726 197
Email: mgmtkk@nwp.com.my
marketing@nwp.com.my

Head office

B-2-08, Jalan Ss6/20
Dataran Glomac, Kelana Jaya
47301, Petaling Jaya,
Selangor Darul Ehsan
Tel:+6(03)7880 1155 Fax:+6(03)7880 1115
Email:info@nwp.com.my
Website: www.nwp.com.my

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6 Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor Darul Ehsan
Tel: + 6(03) 2721 2222 Fax:+6(03) 2721 2530

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Main Board)

CHIEF EXECUTIVE OFFICER STATEMENT

DEAR VALUED SHAREHOLDERS,
ON BEHALF OF THE BOARD OF DIRECTORS OF NWP HOLDINGS BERHAD, IT GIVES ME GREAT PLEASURE TO PRESENT THE ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENT OF NWP HOLDINGS BERHAD GROUP (NWPH OR THE GROUP) FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2012.

ECONOMIC REVIEW

For the financial year under review, the Group faced increasing challenges in sustaining sales to its key timber export markets which were affected by a general slowdown in the world economy. The impact of the European sovereign debt issues on the wider world economy and the relatively slow recovery in the United States caused sentiments to remain generally negative. The timber market woes were further compounded by the continuing lackluster demand from Japan which has still not embarked on large scale reconstruction activities since the March 2011 earthquake.

GROUP FINANCIAL PERFORMANCE

During the financial year under review, the Group registered a decrease in revenue of 52.29% to RM4.06 million compared with RM8.51 million in 2011 as a result of shortage in suitable and reasonably priced raw materials. However, the Group recorded a lower losses for the year of RM3.50 million compared to a loss of RM6.86 million from its operations in the previous year as a result of cost cutting measures.

PROSPECTS

The current environment for our present business segments continues to be challenging due to global economic uncertainty. However, the board is optimistic that with the commencement of production by our associate company in Lao People Democratic Republic (PDR) and new market penetration for its existing products, will enhance revenue in the forthcoming year. The group will step up efforts in the new business segment in Agriculture and also continue with efforts to further contain cost and improve operational efficiency and productivity with view to deliver a better financial performance for the next financial year. In addition to the above your Board of Directors is also looking into possibilities to venture into other businesses to further strengthen the business of the Group. Barring any unforeseen circumstances, the group is optimistic of its future prospects.

CORPORATE GOVERNANCE

The Group is committed to continuously develop and enhance its principles on corporate governance, based on the recommendations of Best Practices as contained in the Malaysian Code on Corporate Governance, for the protection and enhancement of stakeholders' value and performance of the Group.

DIVIDENDS

In view of the loss suffered during the year, and to preserve cash flow for future growth and planned diversification, the Board does not recommend any dividend payment in respect of the current financial year.

APPRECIATION

On behalf of the Board of Directors, we take this opportunity to express our sincere gratitude to the management and staff of the Group for their dedicated and diligent services to the Company. We also wish to express our utmost appreciation to the Regulatory Authorities, all business associates and shareholders for their invaluable support and cooperation.

Thank you.

Wong See Ming
Chief Executive Officer

5th February 2013

PROFILE OF BOARD OF DIRECTORS

WONG SEE MING

Chief Executive Officer

Malaysian, aged 46, was appointed to the Board of Directors on 29 January 2001 as the Executive Director of the Company. On 18th August 2008, Mr. Wong was redesignated as the Chief Executive Officer of the Group. He has also taken over the Chairmanship of the Investment Committee as on 28th October 2008.

Mr. Wong obtained his Bachelor of Arts Degrees in Professional Accounting, and also in Management Information System, both from the Eastern Washington University, United States of America. He started his working career at the young age of 24 in the wood-based industry. He was later involved in the plantation sector and palm oil refinery, besides having gathered experience in the high technology sector of fibre optic, and satellite tracking information services.

Being a strong advocate of caring for the future of the environment, Mr. Wong has vast knowledge in sustainable forest management and reduced-impact logging method that was garnered from his direct involvement and experience in logging activities and forest management.

Today, Mr. Wong oversees the entire business development, corporate affairs and personally executes the strategic business planning for the Group. In total, he has more than fifteen years experience in the timber industry, palm oil industry, and other investment sectors. His foresight and entrepreneur skill will be the main driving force for the Group's future.

He has attended five (5) Board Meetings held in the financial year ended 31st August 2012.

Mr. Wong See Ming is holding shares in direct interest of about 6.06% of the Company. He is also a Director and shareholder of Sepang Heights Sdn Bhd, a substantial shareholder of the Company.

Mr. Wong has no family relationship with any director of the Company. He has no conflict of interest with the Company and has no conviction for offences within the past ten years other than traffic offence.

WONG WEE KEAN

Independent Non-Executive Director

Malaysian, aged 51, an Independent Non-Executive Director, was appointed to the Board of Director on 23 August 2007. He holds a Bachelor of Art Degree in Business Administration from Eastern Washington University, U.S.A. He has more than 15 years of working experience, predominantly in quality assurance and quality control, in various industries such as in construction and engineering.

He is a member of the Audit Committee, Nomination Committee, and Remuneration Committee of the Company. He has attended five (5) Board Meetings and Audit Committee Meetings held in the financial year ended 31st August 2012.

He has no family relationship with any director of the Company. He has no conflict of interest with the Company and has no conviction for offence within the past ten years other than traffic offence.

LEE KHIM SIN

Independent Non-Executive Director

Malaysian, aged 72, an Independent Non-Executive Director of the Company, was 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 of 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 Hii & Lee (AF 0458), a firm of Chartered Accountants. Having been in the profession for more than thirty 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.

Mr. Lee is the Chairman of the Audit Committee, Nomination Committee, and Remuneration Committee of the Company. He has attended five (5) Board Meetings and Audit Committee Meetings held in the financial year ended 31st August 2012.

He has no family relationship with any director of the Company. He has no conflict of interest with the Company and has no conviction for offence within the past ten years other than traffic offence.

PROFILE OF BOARD OF DIRECTORS (continued)

DATUK JOHN MALUDA @ WANJI

Independent and Non-Executive Director

Malaysian, aged 62, is an Independent and Non-Executive Director of the Company, appointed to the Board of Directors on 01st February 2008.

Datuk John obtained his Bachelor of Economics (Hons) from University of Malaya. He later obtained his Master of Philosophy from University of Sussex, UK.

Datuk John Maluda started his career in Jabatan Ketua Menteri as an Executive Officer in 1975 and has only recently retired from State Government Service after having served the Government for almost 33 years. His last posting was in Jabatan Ketua Menteri, (May 2005 to Dec 2007), as the Deputy State Secretary (Development). Here, he oversees Sabah Economic Planning Unit and the Complaints Department, Sabah. He was also appointed as the Chief Information Officer for Sabah, and as the Chairman on Klias Conservation Project, and Mangkuwagu Forestry Development Project.

Prior to this, he was with the Ministry of Resource Development and Information Technology as its Permanent Secretary from May 2000 to April 2005. His principal function was to formulate and implement policies on manpower development and utilization in the state. He was a director and was in charge, at the Ministry level, of Sabah Energy Corporation (SEC); Sabah Land Development Board (SLDB); and Sabah Forestry Development Board (SAFODA).

Amongst Datuk John's other positions during his career are: -

- November 1998 to April 2000 - Secretary of Natural Resources, Sabah
- April 1997 to October 1998 - Director of Department of Industrial Development & Research
CEO of Sabah Trade & Industry Consultancy Services
- August 1994 to March 1997 - Corporate Planner in Koperasi Pembangunan Desa

Datuk John is a member of the Audit Committee, Nomination Committee, and Remuneration Committee of the Company. Since his appointment, he has attended five (5) Board Meetings and Audit Committee Meetings held in the financial year ended 31st August 2012.

He has no family relationship with any director of the Company. He has no conflict of interest with the Company and has no conviction for offence within the past ten years other than traffic offence.

AUDIT COMMITTEE REPORT

The Board of Directors of NWP Holdings Berhad is pleased to present the report of the Audit Committee of the Company for the financial year ended 31st August 2012.

COMPOSITION OF MEMBERS

1. MEMBERS

The Audit Committee presently comprises the following members: -

Name of Member	Position
Mr. Lee Khim Sin	Chairman (<i>Independent Non-Executive Director</i>) - Appointed on 24th July 2000
Datuk John Maluda	Member (<i>Independent Non-Executive Director</i>) - Appointed on 04th February 2008
Mr. Wong Wee Kean	Member (<i>Independent Non-Executive Director</i>) - Appointed on 23rd August 2007

2. MEETINGS

During the financial year ended 31st August 2012, the Audit Committee held a total of five (5) meetings. The date of meeting and details of attendance by each member at the Committee meetings during the year are as follows: -

Dates of Meeting Held

27th October 2011
14th December 2011
18th January 2012
23th April 2012
23th July 2012

Name of Member	Meetings Attended	% of Attendance
Mr Lee Khim Sin	5/ 5	100%
Datuk John Maluda	5/ 5	100%
Mr Wong Wee Kean	5/ 5	100%

3. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the activities of the Audit Committee were summarized as follows: -

- a) Reviewed the quarterly financial results announcements for each quarter prior to submission to the Board for their consideration and approval;
- b) Reviewed the internal audit reports, recommendations and Management's response. Discussed actions taken with Management to improve the internal controls system based on internal audit findings;
- c) Reviewed the Group's operations which had a significant impact on the results of the Group including enhancement and further investment in existing business, cost rationalization measures and human resource development;
- d) Reviewed with the External Auditors, their terms of engagement, proposed audit remuneration and audit plan for the financial year ended 31 August 2012 to ensure that their scope of work adequately covers the activities of the Group;
- e) Reviewed the issues arising from the audit of the financial year end statements and issues highlighted by the External Auditors to the committee;
- f) Evaluated the overall effectiveness of the system of internal controls through a review of the results of work performed by internal and External Auditors and discussions with key senior management;
- g) Reviewed the audited financial statements for the financial year ended 31 August 2011 together with External Auditors;
- h) Reviewed the External Auditors' Report for financial year ended 31 August 2011 in relation to audit and accounting issues arising from the audit and updates of new developments on Financial Reporting Standards issued by the Malaysian Accounting Board;

AUDIT COMMITTEE REPORT (continued)

- i) Reviewed the 2011 Annual Report prior to submission to the Board for consideration and approval; and
- j) Reviewed the performance of the External Auditors before recommending to the Board to propose the re-appointment to the members.

TERMS OF REFERENCE

1. Objectives

The principal objective of the Audit Committee is to assist the Board of Directors ("the Board") of NWP Holdings Berhad ("the Company") in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company and its subsidiary, NWP Industries Sdn. Bhd., DMKT Timber Sdn Bhd, NWP O&M Sdn Bhd and NWP Builder Sdn Bhd ("the Group"). Specially, the Audit Committee shall: -

- (a) Evaluate the quality of audits performed by the Internal and External Auditors;
- (b) Provide assurance that the financial information presented by management is relevant, reliable and timely;
- (c) Oversee compliance with laws and regulations and observance of a proper code of conduct; and
- (d) Determine the quality, adequacy and effectiveness of the Group's control environment.

2. Membership

Following the amendments to Malaysian Code on Corporate Governance, effective from 1st October 2007, the Audit Committee shall be appointed by the Board from amongst the Directors of the Company and comprise of not less than three (3) members, a majority of whom are independent. All members of the audit committee should be non-executive directors. No alternative Director shall be appointed as a member of the Audit Committee.

All members of the audit committee should be financially literate. At least one (1) member of the Audit Committee must be: -

- (a) A member of the Malaysia Institute of Accountants (MIA); or
- (b) If he is not a member of the MIA, he must have at least three (3) years of working experience and;
 - (i) He must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (ii) He must be a member of one of the Associations of Accountants specified in Part II of the First Schedule of the Accounts Act 1967; or
- (c) Fulfils such other requirements as prescribed by the Listing Requirements.

The Chairman of the Audit Committee shall be elected from amongst the members and he shall be an Independent Director. If a member of the Audit Committee resigns or for any reason ceases to be a member which results in the number of members being less than the required number of three (3), the Board shall within two (2) months of that event, appoint such number of the new members as may be required to make up the minimum three (3) members.

The Board shall review the term of office and performance of the Committee and each of its members at least once every three (3) years. The Company Secretary shall be the Secretary of the Audit Committee.

3. Meetings

- a) Meetings shall be held regularly and not less than four (4) times a year or once every quarter.
- b) Written notice of the meeting together with the agendas shall be given to the members of the Committee and external auditor where applicable at least seven (7) days prior to the meeting.
- c) Quarterly results and annual financial statements shall be reviewed by the Audit Committee before presenting to the Board for approval.
- d) The Financial Controller, the Head of Internal Audit and a representative of the external auditors should normally attend meetings. Other board members may attend meetings upon the invitation of the Audit Committee.
- e) The Audit Committee should meet with the external auditors without executive board members present at least twice a year.
- f) The quorum for each meeting shall be two. The majority of members present to form a quorum must be Independent Directors. Decision shall be by a simple majority.
- g) The Company Secretary shall be the Secretary of the Committee. The Secretary shall circulate the minutes of meetings of the Committee to all member of the Board.

AUDIT COMMITTEE REPORT (continued)

4. Rights of Audit Committee

The Committee shall, in accordance with the procedure determined by the Board and at the expense of the Company,

- a) Be authorized to investigate any activity within its terms of reference and shall have unrestricted access to the External Auditors and to all employees of the Group. All employees shall be directed to co-operate as requested by members of the Audit Committee;
- b) Obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise, if necessary;
- c) To have full and unrestricted access to information pertaining to the Group;
- d) To have direct communications channels with the external auditors and person(s) carrying the internal audit function or activity;
- e) To obtain external legal or other independent professional advice as necessary;
- f) Be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

Notwithstanding anything to the contrary therein, the Committee does not have executive powers and shall report to the Board of Directors on all matters recommended by the Committee pertaining to the Group.

5. Functions and Duties of Audit Committee

The Audit Committee shall assist the Board of Directors in fulfilling its fiduciary responsibilities as to corporate accounting and reporting practices of the Company and its subsidiaries and the sufficiency relating thereto. The Audit Committee will endeavor to adopt various practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to the Company's shareholders thereby strengthening the confidence of the public in the Group's reported results.

The specific duties of the Audit Committee are as follows: -

- a) To review the accounting policies adopted, any changes in accounting principles or practices and the level of prudence applied in areas requiring judgment;
- b) To review the external audit report on the financial statements;
- c) To review with the External Auditors, the overall scope of the external audit and discuss the results of their examination and their evaluation of the internal control system;
- d) To discuss problems and reservations arising from the interim and final external audits, and any matter the external auditors may wish to discuss (in the absence of management, where necessary);
- e) To review the External Auditors' management letter and Management's response thereto;
- f) To review the quarterly announcements to the Bursa Securities and year end financial statements before submission to the Board, focusing on: -
 - a. Going concern assumption;
 - b. Compliance with accounting standards and regulatory requirements;
 - c. Any changes in accounting policies and practices;
 - d. Significant issues arising from the audit; and
 - e. Major judgmental areas.
- f. To review the financial statements with Management and the External Auditors prior to them being approved by the full Board;
- g) To review interim financial information and press releases of financial content;
- h) To review any significant transactions which are not a normal part of the Company's business;
- i) To review any significant related party transactions that may arise within the Group;
- j) To recommend to the Board of Directors the appointment, resignation and termination of the External Auditors and the audit fee thereof;

AUDIT COMMITTEE REPORT (continued)

- k) To do the following, in relation to the internal audit function: -
- i) Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - ii) Review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - iii) Review any appraisal or assessment of the performance of members of the internal audit function;
 - iv) Approve any appointment or termination of senior staff members of the internal audit function; and
 - v) Take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit their reasons for resigning.
 - l) To consider the major findings of internal investigations and management's response; and
 - m) Such other responsibilities as may be agreed to between the Audit Committee and the Board of Directors.

INTERNAL AUDIT FUNCTION

In discharging its function, the Audit Committee is supported by an internal audit function whose primary responsibility is to evaluate and report on the adequacy and effectiveness of the overall system of internal control of the Group. The internal audit function of the Group is headed by a qualified accountant and experienced auditor who reports directly to the Audit Committee.

The scope of internal audit's activities covers all units and operations of the Group. The activities include: -

- a) Appraising the adequacy and effectiveness of systems of internal control;
- b) Ascertaining the extent of compliance with Group's plans, policies, standards, procedures and adherence to all applicable laws and regulations, guidelines and directives;
- c) Reviewing the extent to which the Group's assets and interest are accounted for and safeguarded from losses of all kinds;
- d) Reviewing the integrity of computer systems, to ascertain that adequate controls are in place to minimize the vulnerability of information and to provide the necessary protection against possible embezzlement of funds and errors;
- e) Reviewing operations so that resources are utilized in the most efficient, effective and economic manner;
- f) Reviewing the reliability and integrity of financial and operational information; and
- g) Conducting special reviews of investigations as requested by Management or by the Audit Committee.

The system of internal control was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (“the Board”) of NWP Holdings Berhad (“the Company”) recognizes that the practice of good corporate governance in conducting the business and affairs of the Group with integrity, transparency and professionalism are key components for the Group’s continued growth and success. These will not only safeguard and enhance shareholders value but will at the same time ensure that the interests of other stakeholders are protected. The Board is pleased to disclose that the Company has adopted the Company Disclosure policies and procedures as recommended by the Task Force on Corporate Disclosure Best Practice.

The Group endeavors to comply with all the board principles and best practice as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance (“the Code”). The state of corporate governance in the Group is to observe high standards of transparency, accountability and integrity. The objective is to sustain optimal governance with conscientious accountability for continued effectiveness, efficiency and competitiveness of the Group.

The following statement sets out how the Group has complied with the Best Practices set out in the Code throughout the twelve months financial period ended 31st August 2012.

THE BOARD OF DIRECTORS

Board Composition / Board Balance

The Board is made up of an appropriate balance of Executives and Non-Executive Directors with diverse experience required for the effective stewardship of the Group and independence in decision-making at Board level.

The Board comprises Four (4) members, namely the Chief Executive Officer and three (3) Independent Non-Executive Directors. The current Board composition complies with the “Malaysian Code On Corporate Governance” as amended on 1st October 2007, which requires at least three Non-Executive Directors to sit on the Audit Committee and a majority of whom are Independents.

The Chief Executive Officer is responsible to the Board for the management and performance of the Group’s businesses within the framework of the Group’s policies, reserved powers and routine reporting requirements.

There is a clear division of responsibilities on the differing roles of the Chairman and the Executive Directors to ensure a balance of authority and power. The Chairman is responsible for ensuring the Board meets regularly and ensure its effectiveness and standards of conduct. He has authority over the general agenda for each Board meeting to ensure that all Directors

are provided with relevant information on a timely basis. The general agenda may include minutes of prior meetings of the Board, review of the Group’s quarterly financial reports, proposal papers from the management, matters requiring the Board’s deliberation and approval, and other reports. The Executive Directors take on primary responsibility for managing the Group’s business and resources. They have overall responsibility for the operational activities of the Group and implementation of the Board’s strategies, policies and decisions.

The Board recognizes the importance and contribution of the Independent Non-Executive Directors who provide independent assessment and judgment on corporate proposals undertaken by the Group. They fulfill a pivotal role in bringing corporate accountability and independent, unbiased judgment and advice to bear on the Board’s deliberation and decision-making. The role of the Independent Non-Executive Directors is particularly in ensuring that the strategies proposed by the Executive Directors and management team are discussed and examined fully and take into account long-term interest of all parties affected by the Group’s business activities.

A brief profile of each Director is presented on pages 7 to 8 of this Annual Report.

Board Meetings

Meetings of the Board are scheduled every quarter, with additional meetings convened as and when required. During the financial year, Five (5) Board meetings were held. Most of the Directors attended all Board meetings held during their tenure.

Attendance of Board Meetings

The composition of the Board, and the attendance of each Director at the Board Meetings held during the financial year are as follows:-

Board of Directors	Status of Directorship	Date of Appointment	Attendance	% of Attendance
Mr. Wong See Ming	Chief Executive Officer	29-01-2001	5 / 5	100%
Mr. Chang Ah Ngau*	Executive Director	19-07-2000	4 / 5	90%
Mr. Foo Ming Ean**	Executive Director	15-02-2012	1 / 2	50 %
Mr. Lee Khim Sin	Independent Non-Executive Director	19-07-2000	5 / 5	100%
Datuk John Maluda	Independent Non-Executive Director	04-02-2008	5 / 5	100%
Mr. Wong Wee Kean	Independent Non-Executive Director	23-08-2007	5 / 5	100%

* Mr. Chang Ah Ngau resigned on 9th November 2012

** Mr. Foo Ming Ean appointed on 15th February 2012 and resigned on 16th October 2012.

STATEMENT OF CORPORATE GOVERNANCE (continued)

Appointment and election to the Board

The Group has implemented procedures for the nomination and election of Directors via the Nomination Committee. The Nomination Committee is responsible for identifying and recommending to the Board suitable candidates for appointment to the Board and Board Committees.

The Nomination Committee is also entrusted by the Board to conduct annual review of the required mix of skills and experience of Directors, and also performance appraisal of the Directors on an ongoing basis.

The Nomination Committee was established on 26th July 2001 comprising exclusively of Independent Non-Executive Director.

Re-election

In accordance with the Company's Articles of Association, all Directors shall retire from office at least once in every three years and a retiring Director is eligible for re-election and the election of each Director is voted on separately. This re-election process provides an opportunity for the shareholders to renew their mandates. In order to assist the shareholders in their decision, sufficient information such as personal profiles, meeting attendance and their shareholdings in the Company for each Director is furnished in this Annual Report.

The Articles further provides that all newly appointed Directors shall retire from office but shall be eligible for re-election in the next Annual General Meeting subsequent to their appointment.

Directors' Training

All Directors have attended the Bursa Malaysia's Mandatory Accreditation Programme (MAP). The Directors are mindful that they should continually attend seminars and courses to keep abreast with developments in the market place as well as relevant changes in business environment, laws and regulations, and henceforth be able to discharge their duties in an effective manner.

The Board has also empowered the Directors of the Company to determine their own training requirements as they consider necessary or deem expedient to enhance their knowledge in new rules and regulations as well as understanding of the Group's business and operations and to keep abreast with current developments in the market place.

In addition, members of the Board are informed of various development programmes and are encouraged to attend these programmes to keep abreast with the development in the industry and relevant regulatory updates in furtherance of their duties.

During the year, Datuk John Maluda has attended the two-day course "Finance for Non-Finance Professional" conducted by Global Intelligence Network.

The other Directors have not attended any seminars/courses as there were no suitable seminars/courses during the financial year.

Supply Of Information

Prior to each Board meeting, all Directors are provided with an agenda and a set of Board papers. The Board papers includes, among others:

- (a) Quarterly Management Report;
- (b) Board papers for issue requiring Board deliberations and approvals; and
- (c) Minutes of meetings of all the committees of the Board.

In advance of each Board meeting, the members of the Board are each provided with relevant documents and information to enable the Directors to obtain further explanation, where necessary, in order to be briefed properly before the meeting. Comprehensive Board papers are presented details of the Group's performance, other issues that may require the Board's deliberation or decisions, policies, strategies issues which may affect the Group's business and factors imposing potential risks affecting the performance of the Group.

In addition to Group performances discussed at the meeting, other matters highlighted for the Board's decision include the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits.

All directors have access to the advice and services of the Company Secretary. The Directors also have access to any other information within the Group and may obtain from External Auditors and other independent professionals advice, at the Company's expense in the furtherance of their duties.

Board Duties And Responsibilities

The Company is led by a group of experience and dynamic Board of Directors ("the Board"). The Board plays a pivotal role in the stewardship of the Group and ultimately enhancing shareholders value.

The Board takes full responsibility for the performance of the Group. The Board maintains a sound system of internal control to safeguard the shareholders' investments and the Groups' assets. The Board is responsible for the following: -

- a) Reviewing and adopting a strategic plan for the Group.

STATEMENT OF CORPORATE GOVERNANCE (continued)

- b) Overseeing the conduct of the Company's operations to evaluate whether the business is being properly managed.
- c) Identify principal risk and ensure the implementation of appropriate Risk Management System.
- d) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Senior Management.
- e) Developing and implementing an investor relation's programme or shareholder communications policy for the Company.
- f) Reviewing the adequacy and integrity of the Company's internal control systems and management information system for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Committees

The Board Committees are established to assist the Board in discharging its fiduciary duties and responsibilities, in order to enhance business and operational efficiency as well as effectiveness. The numbers of meetings of the Board Committees held during the financial year were: -

Committees	Nos. of meetings held	Chaired by
(i) Audit Committee	5 meetings	Mr. Lee Khim Sin <i>Independent Non-Executive Director</i>
(ii) Nomination Committee	1 meeting	Mr. Lee Khim Sin <i>Independent Non-Executive Director</i>
(iii) Remuneration Committee	0 meeting	Mr. Lee Khim Sin <i>Independent Non-Executive Director</i>
(iv) Investment Committee	1 meeting	Mr. Wong See Ming <i>Chief Executive Officer</i>

(i) Audit Committee

Presently the Audit Committee comprises three (3) Independent Non-Executive Director.

(ii) Nomination Committee

The Nomination Committee was established since 26 July 2001 and the members of the Nomination Committee during the year were: -

Members	Designation
Lee Khim Sin	<i>Chairman (Independent Non-Executive Director)</i>
Datuk John Maluda	<i>Member (Independent Non-Executive Director)</i>
Wong Wee Kean	<i>Member (Independent Non-Executive Director)</i>

The Nomination Committee consists entirely of Independent Non-Executive Directors. The Nomination Committee is empowered by the Board and its terms and reference are: -

- a) To recommend to the Board, suitable candidates for new appointment as Director(s) to the Board (if and when necessary).
- b) To review regularly the Board's structure, size of composition and make recommendation to the Board, the required mix of skills and experience including core competencies that the Board requires, in order to function effectively and efficiently.
- c) To assess the existing Directors on-going basis, the effectiveness of the Board as a whole, the Committee of the Board and the contribution of each individual Director.

STATEMENT OF CORPORATE GOVERNANCE (continued)

(iii) Remuneration Committee

The Remuneration Committee was established since 26th July 2001 and the members of the Remuneration Committee during the year were: -

Members	Designation
Lee Khim Sin	<i>Chairman (Independent Non-Executive Director)</i>
Datuk John Maluda	<i>Member (Independent Non-Executive Director)</i>
Wong Wee Kean	<i>Member (Independent Non-Executive Director)</i>

The Remuneration Committee has been set up to perform the following function: -

- (a) To recommend the remuneration framework for Directors of the Group as well as the remuneration packages of Executive Directors. None of the Executive Directors participated in any way in determining their individual remuneration.
- (b) To assists the Board in ensuring the remuneration of Executive Directors reflects the responsibility, experience and commitment of the Directors concerned.

(iv) Investment Committee

The Investment Committee was established since 27th October 2004 and the members of the Investment Committee were: -

Members	Designation
Wong See Ming	<i>Chairman (Chief Executive officer)</i>
Wong Wee Kean**	<i>Member (Non- Independence Director)</i>
Chang Ah Ngau *	<i>Member (Executive Director)</i>

* Mr. Chang Ah Ngau resigned on 9th November 2012

** Mr. Wong Wee Kean appointed on 9th November 2012.

The Board of Directors has appointed the Investment Committee members on 23rd December 2004. They will meet as and when required. The quorum of meeting all consist at least two (2) Committee members.

The Investment Committee has been set up to perform the following functions: -

- b) To identify, explore and evaluate all potential investment opportunities available with the objective of enhancing the Group's performance and profitability.
- c) To explore all the investment opportunities not limited in the scope of industries that are timber based which is synergistic to the current Group's core business but are expanded to include all other high growth industry wherein the returns on investment are positive.

DIRECTORS' REMUNERATION

The remuneration framework for executive directors has an underlying objective of attracting and retaining directors needed to run the Company successfully. Remuneration packages of executive directors are structured to commensurate with corporate and individual's performance. The Non-Executive Directors are remunerated based on fixed annual fees approved by the shareholders of the Company.

The aggregate remuneration of Directors paid by its subsidiary, are categorized into following components:

Board of Directors	Directors' Fees	Directors' Salaries, Emoluments & Allowances	Total
Executive Directors	0	183,950	183,950
Non-Executive Directors	72,000	0	72,000
Total	72,000	183,950	255,950

STATEMENT OF CORPORATE GOVERNANCE (continued)

The remunerations of Directors of the Group, classified into the respective bands, are as follows: -

Range of Remuneration	No. of Directors	
	Executive Directors	Non-Executive Directors
Less than RM50,000	0	3
RM50,000 to RM100,000	2	-
RM100,000 to RM150,000	1	-

INVESTORS AND SHAREHOLDERS RELATIONSHIP

The Group recognizes the important of keeping shareholders and investors informed of the Group's business and corporate developments. Such information is disseminated via annual reports, quarterly financial results, circulars to shareholders and the various announcements released from time to time. The timely released of financial results on a quarterly basis via announcement will provides the Shareholders with an overview of the Company business and operations.

The Group has an interactive website available at <http://www.nwp.com.my> to communicate with investors and the investing public. The website is being used as a forum to answer inquiries and provide information on the activities of the Group.

The Annual General Meeting ("the AGM") of the Company represents the principal forum for dialogue and interaction between the Shareholders and the Company. There is an open question and answer session in which Shareholders may raise questions regarding the proposed resolutions at the meetings as well as on matters relating to the Group's businesses and affairs.

The Extraordinary General Meeting ("the EGM") is held as and when Shareholders' approvals are required on specific matters and Shareholders are notified of such meetings in accordance with the Bursa Malaysia Listing Requirements.

The Shareholders who are unable to attend the general meeting have the rights to appoint proxies to attend and vote on their behalf.

In addition, shareholders and investors alike can address their concerns directly to Mr. Lee Khim Sin who is the Senior Independent Non-Executive Director of the Group and Chairman of the Audit Committee.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's financial position and prospect in all their reports to Shareholders, Investors and regulatory authorities via the annual financial statements and quarterly announcements.

The Board is responsible for ensuring the annual financial statements are prepared in accordance with the provision of the Companies Act 1965 and the applicable approved accounting standards in Malaysia. A statement by the Directors of their responsibilities in preparation of financial statement is set out in compliance with the Section 169 of the Companies Act, 1965.

The Board discusses and reviews the recommendations proposed by the Audit Committee prior to adoption of the financial statements of the Group and of the Company.

Internal Control

The Directors acknowledge their overall responsibility for the Group's system of internal control over both the financial and non-financial aspects of the Group's activities. The Group is continuously looking into the adequacy and integrity of its system of internal control.

The Internal Control Statement of the Group is set out on page 19 of the Annual Report.

Relationship With Auditors

The Company has established transparent and appropriate relationship with the Company's auditors through the Audit Committee. The Audit Committee has always maintained a professional relationship with the External Auditors.

The External Auditors, TNKP International has continued to report to members of the Company in respect of their findings of the Company's financial statements. The External Auditors are elected every year during the AGM.

STATEMENT OF CORPORATE GOVERNANCE (continued)

STATEMENTS OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors of the Company are required by the Companies Act, 1965 to prepare annual 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 Bursa Securities Listing Requirements impose a need for the Directors to issue a statement explaining their responsibility for preparing the annual financial statements.

The Directors are satisfied that in preparing the financial statements of the Group for the year ended 31st August 2012, the Group has adopted the appropriate accounting policies and applied it 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.

The statement which should be read in conjunction with the Report of the Auditors set out on page 26 is made with a view of enabling Shareholders to distinguish the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

COMPLIANCE WITH THE CODE

The Group has fully complied with the amended Malaysian Code on Corporate Governance, throughout the financial year ended 31st August 2012.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the following additional information is provided: -

- a) During the financial year under review, there were no:
- i) Non-audit fees paid to External Auditors for the financial year;
 - ii) Profit estimates, forecasts or projections;
 - iii) Utilization of proceeds raised from any proposal;
 - iv) Share buybacks;
 - v) Options, warrants or convertible securities exercised;
 - vi) American Depository Receipt (ADR) or Global Depository Receipt (GDR) programme sponsored by the Company;
 - vii) Sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies;
 - viii) Material variance between the results for the financial year and the unaudited results previously announced;
 - ix) Profit guarantees given by the Company;
 - x) Material contracts between the Company and its subsidiaries that involve directors' or major shareholders interests;
 - xi) Contract of loans between the Company and its subsidiaries that involve directors' or major shareholders interests;
- b) Revaluation Policy on Landed Properties

The revaluation policy on landed properties is as disclosed in the financial statement for the year ended 31 August 2012.

STATEMENT OF INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance required listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Company and Group's ("the Group") assets. Pursuant to paragraph 15.27 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") require directors of public listed companies to include a statement in their annual reports on the state of internal controls in the Company as a Group. Bursa Securities' Statement On Internal Control: Guidance For Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements.

The Board is pleased to provide the following statements on the nature and scope of internal control of the Group during the year, which has been prepared in accordance with the Guidance.

BOARD RESPONSIBILITY

The Board recognizes the importance of the sound internal control and risk management practices to good corporate governance. The Board acknowledges that the overall responsibility of maintaining a reliable system of internal control lies with them and is achieved through the process of reviewing the adequacy and integrity of the Group's internal control systems, information systems and monitoring for compliance with the applicable rules and regulations, directives, guidelines, internal policies and procedures. The Board also aware that reviewing of the Group's internal control system is a concerted and a continuing process.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Board regards risk management as an integral part of business operations. The responsible executives play an important role in monitoring major business risks and appraising their financial objectives.

Internal evaluation reports were provided to the Directors for discussion during meetings. During the financial year, necessary actions were taken to resolve or overcome any potential unacceptable residual risks or commercial risk in the aspect of production, marketing and corporate planning facing by the Group.

The Group's financial risk management policies and objectives are clearly defined to ensure adequate financial resources are available for the development of the Group's businesses whilst managing its risk. The Group operates within clearly defined guidelines that are approved by the Board of Directors and the Group's policy is not to engage in speculative transactions.

During the financial year, the Group's have not engage in any material losses, contingencies or uncertainties that would requires disclosure in the Company's Annual Report.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out on pages 55 to 58 of the Annual Report.

KEY ELEMENTS OF INTERNAL CONTROL

The Management structure of the Group is defined, with clear lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability.

Management accounts and reports are prepared on monthly basis for effective monitoring, decision-making and facilitate effective discussion at the management meetings on a quarterly basis.

Effective reporting systems, which expose significant variance against budget and plan are in place to monitor performance. Key variances are followed up by the Management and reported to the Board on a quarterly basis.

Senior Management and each Heads of Departments who have many years of accumulated experience within the Group exercise a hands-on-hands approach on the operational and financial affairs of the Company and Group.

The Board undertakes on-going reviews of the key commercial and financial risks facing the Group's business together with general risks of the Company.

CONCLUSION

Risk management and prudent control is an integral part of the Board's committee to providing consistent and high quality returns to the shareholders. The Board is of the view that risk management policy adopted by the Group has been in place for the year under review and up to the date of annual report is sound and sufficient. The Board is assured that this system of internal control, which is reviewed on an ongoing basis, is adequate for the Group to manage its risks and to achieve its business objectives.

CORPORATE SOCIAL RESPONSIBILITY REPORT

The Board of Directors of NWP Holdings Berhad is committed to undertaking Corporate Social Responsibility (“CSR”) initiatives that ensure the Group’s sustainable development while impacting upon society and the environment in a positive manner.

ENVIRONMENT

The Group has the highest regard for the environment. Good environmental practices in our operations ensure the viability and sustainability of our operations for the long-term. In this aspect the Group’s CSR initiatives employed the following strategies: -

- 1) Practice only Reduce Impact Logging (RIL) Method in our timber harvesting operation.
- 2) Undertake sustainable forest management in accordance with Forestry Department Guidelines, including silviculture and replanting of valuable species to ensure sustainability for the future.
- 3) Do not purchase or utilized any logs that are illegally logged in our production.
- 4) Utilization of most of our waste products, such as sawdust and off-cuts to fuel our boilers to generate steam energy for our kiln-drying chambers. This ensures little wastage in our valuable resources and at the same time reducing environmental pollution and production cost.

WORKPLACE

The Group has never employed illegal foreign workers or workers below the statutory working age.

In addition, the Group provides accommodation to immediate family members of workers so that they can stay together.

All new workers are given induction training and retraining is provided every six months. Staffs are also given opportunity to attend training courses and seminars to enable them to acquire new skills and improved their production efficiency.

As to its commitment to health and safety, it ensures that the appropriate resources and manpower are in place to reduce and avoid any incident or accident in its workplace. Safety gears, training and frequent drills are carried out to instill safety consciousness in the staff and workers.

The Group will continue to review its corporate social responsibilities efforts with the view of sharing the benefits with its stakeholders.

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2012.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are described in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
(Loss) / Profit for the financial year	(3,496,352)	6,810,514
Attributed to:		
Equity holders of the Parent	(3,496,352)	-
Non-controlling interest	-	-
	(3,496,352)	-

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any shares or debentures during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debt and the making of provisions for doubtful debts, and have satisfied themselves that all known bad debt have been written off and adequate allowance has been made for doubtful debts.

At the date of this report, the directors of the Group and the Company are not aware of any circumstances that would render the bad debt written off or the allowance for doubtful debts in the financial statements inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets which were unlikely to be realised in the ordinary course of business, their value as shown in the accounting records of the Company 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 Group and of the Company 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 Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT (continued)

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent liability or other liability of the Group and of the Company 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 to meet its 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 Group and of the Company that would render any amount stated in the financial statements of the Group and of the Company misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company 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 other than as disclosed in the financial statements.

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 Group and of the Company for the current financial year.

DIRECTORS

The directors who served on the Board of the Company since the date of the last report are :-

Datuk John Maluda @ Wanji

Wong See Ming

Lee Khim Sin

Chang Ah Ngau

(Resigned on 09.11.2012)

Wong Wee Kean

Foo Ming Ean

(Appointed on 15.02.2012, resigned on 16.10.2012)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follow:

	Ordinary shares of RM 0.25 each			Balance as at 31.08.2012
	Balance as at 01.09.2011	Acquired	Sold	
Chang Ah Ngau				
- Indirect **	27,200,000	-	-	27,200,000
Wong See Ming				
-Direct	19,407,000	-	-	19,407,000
- Indirect *	160,355,996	-	-	160,355,996
- Indirect **	27,200,000	-	-	27,200,000
Wong Wee Kean				
- Direct	16,000	-	-	16,000

* Held through Sepang Heights Sdn Bhd which owns 50.11% equity of the Company

** Held through Cashflow Budget Sdn Bhd which owns 8.50% equity of the Company

DIRECTORS' REPORT (Continued)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received by the directors as shown in the financial statements of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

HOLDING COMPANY

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

AUDITORS

The auditors, Messrs. TKNP International, Chartered Accountants, have expressed their willingness to continue in office.

On behalf of the Board,

WONG SEE MING

WONG WEE KEAN

Dated : 27 December 2012
Selangor

STATEMENT BY DIRECTORS

We, WONG SEE MING and WONG WEE KEAN, being two of the directors of NWP HOLDINGS BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 August 2012 and of the results of the operations and cash flows for the year ended on that date.

On behalf of the Board,

WONG SEE MING

WONG WEE KEAN

Dated : 27 December 2012
Selangor

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 accompanying financial statements 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

at Selangor on 27 December 2012

Before me :

WONG SEE MING

Commissioner for Oaths

REPORT OF THE AUDITORS

Independent Auditors Report To The Members of NWP Holdings Berhad (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of NWP HOLDINGS BERHAD, which comprise the statements of financial position as at 31 August 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 63.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 August 2012 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts of the subsidiaries 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or and adverse comment made under Section 174(3) of the Act.

Other Matters

The supplementary information set out in Note 31 to the financial statements on page 62 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

TKNP INTERNATIONAL
AF 001834
Chartered Accountants

LEONG TA PENG
2663/09/13(J)
Partner

Dated: 27 December 2012
Selangor

STATEMENTS OF COMPREHENSIVE INCOME

For The Year Ended 31 August 2012

	Note	GROUP		COMPANY	
		2012 RM	2011 RM	2012 RM	2011
REVENUE	4	4,063,693	8,507,986	54,910	61,795
COST OF SALES		(5,986,952)	(12,656,996)	-	-
GROSS (LOSS)/PROFIT		(1,923,259)	(4,149,010)	54,910	61,795
OTHER OPERATING INCOME		1,120,617	37,705	-	-
ADMINISTRATIVE EXPENSES		(1,711,538)	(1,705,426)	(67,503)	(74,323)
OTHER OPERATING EXPENSES		(603,012)	(667,572)	(31,787)	(73,961)
(LOSS) FROM OPERATIONS	5	(3,117,192)	(6,484,303)	(44,380)	(86,489)
FINANCE COSTS 7		(322,013)	(350,946)	-	-
REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON INTEREST IN SUBSIDIARY:					
- INVESTMENT IN SUBSIDIARIES		-	-	7,138,424	(5,050,224)
- AMOUNT DUE FROM SUBSIDIARIES		-	-	(283,530)	(1,716,532)
SHARE OF RESULT IN AN ASSOCIATE		(51,517)	-	-	-
(LOSS)/PROFIT BEFORE TAXATION		(3,490,722)	(6,835,249)	6,810,514	(6,853,245)
TAXATION	8	(5,630)	(29,873)	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(3,496,352)	(6,865,122)	6,810,514	(6,853,245)
OTHER COMPREHENSIVE INCOME		11,044,978	-	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSE)		7,548,626	(6,865,122)	6,810,514	(6,853,245)
Attributed to:					
Equity holders of the Parent		(3,496,352)	(6,891,587)		
Non-controlling interest		-	26,465		
		(3,496,352)	(6,865,122)		
Total comprehensive income:					
Equity holders of the Parent		7,548,626	(6,891,587)		
Non-controlling interest		-	26,465		
		7,548,626	(6,865,122)		
Basic loss per ordinary share (sen)	9	(1.09)	(2.15)		

The notes set out on pages 34 to 63 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 August 2012

	Note	2012 RM	2011 RM
ASSETS			
Non-current assets			
Investment in an associate	10	2,881,288	-
Property, plant and equipment	13	34,727,123	29,471,002
Biological assets	14	35,720	-
		<u>37,644,131</u>	<u>29,471,002</u>
Non-current assets classified as held for sale	15	<u>4,184,100</u>	<u>1,326,213</u>
Current assets			
Inventories	16	6,704,797	8,365,868
Trade and other receivables	17	6,966,405	6,706,726
Amount due from an associate	18	624,001	-
Amount due from contract customers	19	-	791,065
Deposits with licensed banks	20	1,619,262	2,911,380
Tax recoverable		32,255	32,255
Cash and bank balances		880,266	704,322
		<u>16,826,986</u>	<u>19,511,616</u>
TOTAL ASSETS		<u><u>58,655,217</u></u>	<u><u>50,308,831</u></u>
EQUITY AND LIABILITIES			
Share capital	21	80,000,000	80,000,000
Share premium		4,018,960	4,018,960
Revaluation reserve	22	18,268,330	8,038,082
Accumulated losses		(49,179,063)	(46,497,441)
SHAREHOLDERS' EQUITY		<u>53,108,227</u>	<u>45,559,601</u>
Non-controlling interest		-	69,073
TOTAL EQUITY		<u>53,108,227</u>	<u>45,628,674</u>
Non-current liability			
Hire purchase payables	23	151,344	51,463
		<u>151,344</u>	<u>51,463</u>
Current liabilities			
Trade and other payables	24	1,381,480	1,005,048
Hire purchase payables	23	62,421	44,436
Bank overdraft	25	3,945,601	3,501,264
Tax liability		6,144	77,946
		<u>5,395,646</u>	<u>4,628,694</u>
TOTAL LIABILITIES		<u>5,546,990</u>	<u>4,680,157</u>
TOTAL EQUITY AND LIABILITIES		<u><u>58,655,217</u></u>	<u><u>50,308,831</u></u>

The notes set out on pages 34 to 63 form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As At 31 August 2012 (Continued)

	Note	2012 RM	2011 RM
ASSETS			
Non-current assets			
Investment in an associate	10	3,032,621	-
Investment in subsidiary companies	11	24,907,912	17,169,485
Amount due from subsidiary companies	12	22,035,236	25,247,243
		<u>49,975,769</u>	<u>42,416,728</u>
Current assets			
Other receivables	17	9,047	208,296
Amount due from an associate	18	624,001	-
Deposits with a licensed bank	20	1,619,262	2,911,380
Cash and bank balances		95,108	22,291
		<u>2,347,418</u>	<u>3,141,967</u>
TOTAL ASSETS		<u><u>52,323,187</u></u>	<u><u>45,558,695</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of parent			
Share capital	21	80,000,000	80,000,000
Share premium		11,618,960	11,618,960
Accumulated losses		(39,309,916)	(46,120,430)
Total equity		<u>52,309,044</u>	<u>45,498,530</u>
Current liability			
Other payables	24	14,143	60,165
		<u>14,143</u>	<u>60,165</u>
TOTAL LIABILITIES		<u>14,143</u>	<u>60,165</u>
TOTAL EQUITY AND LIABILITIES		<u><u>52,323,187</u></u>	<u><u>45,558,695</u></u>

The notes set out on pages 34 to 63 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31st August 2012

GROUP	Attributable to Equity Holders of the Parent				Total RM
	Share capital RM	Share premium RM	Revaluation reserve RM	Accumulated losses RM	
	Non-distributable		Distributable		Non-controlling interest RM
	Share capital RM	Share premium RM	Revaluation reserve RM	Accumulated losses RM	Total RM
At 1 September 2010	80,000,000	4,018,960	8,038,082	(39,605,854)	52,451,188
Total comprehensive (expense) / income	-	-	-	(6,891,587)	(6,891,587)
At 31 August 2011	80,000,000	4,018,960	8,038,082	(46,497,441)	45,559,601
Arising from additional interest in a subsidiary	-	-	-	-	(69,073)
Reversal of revaluation reserve	-	-	(814,730)	814,730	-
Total comprehensive (expense) / income	-	-	11,044,978	(3,496,352)	7,548,626
At 31 August 2012	80,000,000	4,018,960	18,268,330	(49,179,063)	53,108,227

The notes set out on pages 34 to 63 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31st August 2012

COMPANY

	Share capital RM	Share premium RM	Accumulated losses RM	Total RM
At 1 September 2010	80,000,000	11,618,960	(39,267,185)	52,351,775
Total comprehensive (expense)	-	-	(6,853,245)	(6,853,245)
At 31 August 2011	80,000,000	11,618,960	(46,120,430)	45,498,530
Total comprehensive income	-	-	6,810,514	6,810,514
At 31 August 2012	80,000,000	11,618,960	(39,309,916)	52,309,044

STATEMENTS OF CASH FLOWS

For The Year Ended 31 August 2012

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash flow from operating activities				
Profit/(Loss) before taxation	(3,490,722)	(6,835,249)	6,810,514	(6,853,245)
Adjustments for :				
Bad debts written off	33,064	-	-	-
(Reversal of impairment loss)/	-	-	(7,138,424)	5,050,224
Impairment loss of - investment in subsidiaries				
Impairment loss of - amount due from subsidiaries	-	-	283,530	1,716,532
Impairment loss of - trade receivables	205,891	255,041	-	-
Amortisation of prepaid lease payments	-	-		
Depreciation of property, plant and equipment	1,555,222	3,145,344	-	-
Gain on disposal of assets held for sale	(299,272)	-	-	-
Gain on disposal of property, plant and equipment	(245,500)	-	-	-
Negative goodwill arising from additional interest in a subsidiary company	(69,073)	-	-	-
Recovered on impairment loss for trade receivables	(179,000)	-	-	-
Share of results of associates	51,517	-	-	-
Unrealised gain on foreign exchange	(36,789)	-	-	-
Interest expenses	322,013	350,946	-	-
Interest income	(88)	(61,795)	-	(61,795)
	<hr/>	<hr/>	<hr/>	<hr/>
Operating loss before working capital changes	(2,152,737)	(3,145,713)	(44,380)	(148,284)
Change in working capital:				
Inventories	1,661,071	2,460,946	-	-
Trade and other receivables	(339,925)	3,563,334	199,249	(199,249)
Amount due from contract customers	791,065	(791,065)	-	-
Trade and other payables	376,432	(984,122)	(46,022)	52,624
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated from/(absorbed into) operating activities	335,906	1,103,380	108,847	(294,909)
Tax paid	(77,432)	-	-	-
Interest received	88	61,795	-	61,795
Interest paid	(322,013)	(350,946)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash from/(used in) operating activities	(63,451)	814,229	108,847	(233,114)

The notes set out on pages 34 to 63 form an integral part of these financial statements

STATEMENTS OF CASH FLOWS

For The Year Ended 31 August 2012 (Continued)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash flows from investing activities				
Additional investment in a subsidiary company	-	-	(600,003)	(99,998)
Amount due from an associate	(624,001)	-	(624,001)	-
Increase in biological assets	(35,720)	-	-	-
Investment in an associate	(3,032,621)	-	(3,032,621)	-
Net cash flow from acquisition of a subsidiary company	(3)	-	-	-
Purchase of property, plant and equipment	(322,470)	(206,698)	-	-
Proceeds from disposal of assets held for sale	2,527,806	-	-	-
Proceeds from disposal of property, plant and equipment	7,000	-	-	-
Net cash (used in) investing activities	(1,480,009)	(206,698)	(4,256,625)	(99,998)
Cash flows from financing activities				
Repayment from subsidiary companies	-	-	2,928,477	1,280,313
Repayment of hire purchase payables	(49,133)	(324,895)	-	-
Net cash (used in) investing activities	(49,133)	(324,895)	2,928,477	1,280,313
Net changes in cash and cash equivalents	(1,592,593)	282,636	(1,219,301)	947,201
Effects in change in currency rate	32,082	-	-	-
Cash and cash equivalents brought forward	114,438	(168,198)	2,933,671	1,986,470
Cash and cash equivalents carried forward	(1,446,073)	114,438	1,714,370	2,933,671

NOTES TO CASH FLOW STATEMENT

(a) Cash and cash equivalents comprise :-

Deposits with licensed banks	1,619,262	2,911,380	1,619,262	2,911,380
Cash and bank balances	880,266	704,322	95,108	22,291
Bank overdrafts	(3,945,601)	(3,501,264)	-	-
	(1,446,073)	114,438	1,714,370	2,933,671

(b) Analysis of acquisition of property, plant and equipment

Cash	322,470	206,698	-	-
Hire purchase arrangement	167,000	74,000	-	-
	489,470	280,698	-	-

The notes set out on pages 34 to 63 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

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.

The holding company of the Company is Sepang Heights Sdn. Bhd., a company incorporated in Malaysia.

The principal place of business and marketing office of the Company is located at 56 Km, Jalan Kimanis, Beaufort Highway, P.O.Box 362, 89608 Papar, Sabah and B-2-08, Jalan SS6/20, Dataran Glomac, Kelana Jaya, 47301 Petaling Jaya, Selangor respectively.

The principal activities of the Company is investment holding. The principal activities of the subsidiaries companies are described in Note 11. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of directors in accordance with a resolution of the directors on 27 December 2012.

2. BASIS OF PREPARATION

(a) Statement of compliance with accounting standards and basis of accounting

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards (FRS) in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised Standards and Interpretations which are mandatory for current financial year as described in Note 2(b). The financial statements of the Group and of the Company have been prepared on the historical cost basis unless otherwise indicated in the significant accounting policies described in Note 3. The financial statements are presented in Ringgit Malaysia (RM), which is also the functional currency of the Group and of the Company.

(b) Initial application of Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as described below. The following new and amended FRSs and Issues Committee ("IC") Interpretations issued by Malaysian Accounting Standards Board (MASB) first became mandatory for current financial year of the Group and of the Company.

		Effective for financial period beginning on or after
FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)	1 January 2011
	Additional Exemptions for First-time Adopters (Amendments to FRS 1)	1 January 2011
	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards	1 January 2011
FRS 2	Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)	1 January 2011
FRS 3	Amendments to FRS 3 Business Combinations	1 January 2011
FRS 7	Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011
	Amendments to FRS 7 Financial Instruments: Disclosures	1 January 2011
FRS 101	Amendments to FRS 101 Presentation of Financial Statements	1 January 2011
FRS 121	Amendments to FRS 121 The Effects of Changes in Foreign Exchange Rates	1 January 2011
FRS 128	Amendments to FRS 128 Investments in Associates	1 January 2011
FRS 131	Amendments to FRS 131 Interests in Joint Ventures	1 January 2011
FRS 132	Amendments to FRS 132 Financial Instruments: Presentation	1 January 2011
FRS 134	Amendments to FRS 134 Interim Financial Reporting	1 January 2011
FRS 139	Amendments to FRS 139 Financial Instruments: Recognition and Measurement	1 January 2011
IC Interpretation 4	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 13	Amendments to IC Interpretation 13 Customer Loyalty Programmes	1 January 2011
IC Interpretation 14	Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)	1 July 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

The Group and the Company has adopted and applied these new and amended Standards and Interpretations that are applicable and the adoption did not have any material effect on the financial performance or position of the Group and of the Company except for the effect on presentation, classification and disclosure as discussed below.

Amendments to FRS 7 : Financial Instruments: Disclosures

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. Reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 28 (a). The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 28 (b).

(c) Malaysian Financial Reporting Standards (MFRS Framework) issued but not yet effective

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. However, on 30 June 2012, MASB further extended the transitional period for another year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 August 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Company have yet to determine the financial impact arising from the adoption of the MFRS Framework.

(d) Significant accounting judgements and estimates

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(i) Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition

The management makes judgement based on the terms of the contract and experiences in determining the appropriate point for recognising the sales as revenue in the financial statements that meet the following three revenue recognition criteria:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the service rendered; and
- (c) it is probable that the economic benefits associated with the transaction will flow to the entity.

Generally, the management considers the delivery of goods completed and when the contract becomes unconditional as the most appropriate point for recognising the sales as revenue.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Depreciation of property, plant and equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual lives of these assets, therefore future depreciation charges could be revised and impairment loss could be provided.

The carrying amount of the Group's property, plant and equipment as at reporting date is disclosed in Note 13.

(b) Impairment of non-financial assets

When the recoverable amount of a non-financial asset is determined based on its value in use, estimates on future cash flows and appropriate discount rate are required to determine the present value of those cash flows. The carrying amounts of non-financial assets subject to impairment assessment are disclosed in Note 13.

(c) Valuation of property, plant and equipment

The fair value of property, plant and equipment is individually determined periodically, with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date. The valuers and directors have relied on the following methodologies:

- (i) Leasehold land and building – open market basis by reference to observable prices in an active market or recent market transactions on arm's length terms.
- (ii) Plant and machinery - depreciated replacement cost method, which is based on the current cost of replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Certain property, plant and equipment have been revalued during the current financial year on disclosed in Note 13.

(d) Valuation of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amounts of inventories are as disclosed in Note 16.

(e) Impairment of receivables

The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, the carrying amount of the receivables will be affected. The carrying amount of the Group's trade and other receivables at the reporting date is disclosed in Note 17.

(f) Impairment of interest in subsidiaries and associate

Interest in subsidiaries and associate which include the investment in subsidiaries and associate and advances to subsidiaries and associate are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such impairment exist, an estimation of their recoverable amount is required.

Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the subsidiaries and associate and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Future cash flows largely depends on the forecast of the future performance of the subsidiaries. The carrying amount of investment in subsidiaries and associate are disclosed in Note 10 and 11 respectively and advances to subsidiaries and associate are disclosed in Note 12 and 18 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

(g) Taxation

Significant estimation is involved in determining the provision for income taxes. There are many transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company estimated the tax liabilities based on the understanding of prevailing tax laws and estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(h) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The estimated amount of potential deferred tax assets not recognised is disclosed in Note 8.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries that represent business combination are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Goodwill on consolidation is subject to annual impairment test. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination represents negative goodwill, which is recognised immediately as income on the date of acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non controlling interest:

Non controlling interests at the end of the reporting period, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the group statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non controlling interests in the results of the Group are presented in the group statement of comprehensive income as an allocation of the comprehensive income for the year between the owners of the Company and the non controlling interests.

(b) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and the effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

(c) Associate

An associate is defined as a company, not being a subsidiary, in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies of the associate.

Investment in associates are stated at cost less accumulated impairment losses, if any, in the Company's financial statements.

The Group's investment in associates are stated at cost plus adjustments for post-acquisition changes in the Group's share of net assets of the associates. The Group's share of post-acquisition results of the associates is accounted for using the equity method of accounting.

The Group's share of post-acquisition losses is restricted to the carrying value of the investment in associates. Should the associates subsequently reports profits, the Group will only resume to recognise its share of profits after its share of profits equals to its share of losses previously not recognised.

On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Certain property, plant and equipment were stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers and the directors. It is the Company's policy to appraise its properties at least once in every five years by independent valuers and directors based on open market value to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Costs also comprise the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired.

(ii) Depreciation

Depreciation on property, plant and equipment is provided on a straight line basis to write off the cost or revalued amount of each asset to its residual value over the estimated useful life:

Leasehold land	64 and 98 years
Buildings and quarters	50years
Camp staff quarters	3years
Motor vehicles, plant and equipment	5 to 10 years
Tools and equipment and factory equipment	10years
Office renovation, furniture and fittings, electrical installation and office equipment	5 to 10 years
Road	10years

The residual values, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

(iii) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. A write down is made if the carrying value exceeds the recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(h).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are derivable from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(e) Biological assets

This represents plantation development expenditure consisting of cost incurred on land clearing and professional services rendered on plantation which are initially recorded at cost and are not amortised. Subsequent to recognition, plantation development expenditure is stated at valuation or cost less any accumulated impairment losses.

(f) Lease

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

(i) Finance lease

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Assets acquired under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(ii) Operating lease

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(g) Financial instruments

(i) Financial assets

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, the directly attributable transaction costs. The Group and the Company determine the classification of their financial assets at initial recognition, into four categories namely:

- (a) available for sale financial assets;
- (b) financial assets at fair value through profit and loss;
- (c) held-to-maturity financial assets; and
- (d) Loans and receivables.

The Group and Company only has one category of financial asset namely loans and receivables for the current and previous financial year.

Loans and receivables:

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Group's and Company's loans and receivables comprise trade receivables, other receivables, amounts due from subsidiary companies and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method and subject to impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

(ii) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. There is no financial liability at fair value through profit or loss in the Company. The Company's other financial liabilities include trade payables, other payables, borrowings and related company balances.

These financial liabilities of the Company are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that a non-financial asset (except for inventories) may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units ("CGU")). In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount by the amount of impairment loss.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or group of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rate basis.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the assets is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

(i) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that of an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed to be not impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivable could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first out basis. The cost of raw materials comprises the original purchase prices plus costs incurred in bring the inventories to their present locations and conditions. The cost of work-in-progress and finished goods comprise the cost of raw materials, direct labour and an appropriate allocation of production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the estimated costs of completion and the selling expenses.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(l) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Those borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which necessarily takes a substantial period of time to be prepared for its intended use, are capitalised as part of the cost of those assets.

(m) Provisions

Provisions are recognised when the Group and the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the entity.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

(o) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period they are declared.

(p) Income tax

Taxation in the income statement represents the aggregate amount of current tax and deferred tax.

Current tax is the expected amount payable in respect of taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustments recognised in the year for current tax of prior years.

Deferred tax is recognised on all temporary differences between the carrying amounts of the assets and liabilities and their tax bases except where the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable income.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable income will be available against which the assets can be utilised. Deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

(q) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the Company and the amount of the revenue can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

- (i) Sales of goods
- Revenue from sales of goods is recognised upon transfer significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptances of the goods.
- (ii) Construction
- Revenue from work done on construction contracts are recognised based on the “percentage of completion” method. The stage of completion is determined based on the proportion of contracts costs incurred for work performed up to the balance sheet date over the estimated total contract cost. Foreseeable losses, if any, are recognised immediately in the income statement.
- Revenue is recognised based on the stage of completion measured by reference to the proportion that contract cost incurred for work performed to date that reflect work performed bear to estimated total contract cost.
- (iii) Rendering of services
- Revenue from services rendered is recognised as and when the services are performed, recovery of the consideration is probable and the associated costs can be measured reliably.
- (iv) Rental income
- Rental income is recognised on an accrual basis.
- (v) Interest income
- Interest income is recognised using the effective interest method.
- (r) Employee benefits
- (i) Short term employee benefits
- Wages, salaries and social security contributions are recognised as an expense in the financial period when employees have rendered their services to the Group.
- Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.
- (ii) Defined contribution plans
- Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. As required by law, companies in Malaysia make contributions to the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the income statement as incurred.
- (s) Foreign currencies
- (i) Functional and presentation currency
- The functional currency of the Group and of the Company is determined using the currency of the primary economic environment in which the Group and the Company operates.
- (ii) Transactions and balances
- Transactions in foreign currencies are recorded on initial recognition in Ringgit Malaysia at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.
- All exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.
- (iii) Foreign operations
- The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

(t) Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets, or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

(u) Amount due from contract customers

Amount due from contract customers on fixed price contracts is stated at cost plus attributable profits less progress billings and anticipated losses, if any. Cost includes all direct costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in trade payables as amount due to contract customers.

4. REVENUE

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Sale of timber and timber products	2,164,095	6,601,705	-	-
Construction	1,577,765	1,791,480	-	-
Rendering of services	266,923	53,006	-	-
Fixed deposits interest income	54,910	61,795	54,910	61,795
	<u>4,063,693</u>	<u>8,507,986</u>	<u>54,910</u>	<u>61,795</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

5. (LOSS) FROM OPERATIONS

(Loss) from operations is stated after charging/(crediting):

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Auditors' remuneration:				
- current	39,100	26,000	9,200	4,200
- underprovision in prior year	2,800	-	3,800	-
Bad debts written off	33,064	-	-	-
Depreciation of property, plant and equipment	1,555,222	3,145,344	-	-
Directors' remuneration:				
- fees	72,000	79,500	-	-
- other emoluments	183,950	201,064	-	-
(Reversal of impairment loss)/				
Impairment loss on - trade receivables	53,207	88,267	-	-
Impairment loss on - other receivables	152,684	166,774	-	-
Impairment loss on - amount due from subsidiaries	-	-	283,530	1,716,532
Impairment loss on - investment in subsidiaries	-	-	(7,138,424)	5,050,224
Rental of premises	114,024	118,282	-	-
Staff costs	1,521,149	1,824,514	-	-
Gain on disposal of assets held for sale	(299,272)	-	-	-
Gain on disposal of property, plant and equipment	(245,500)	-	-	-
Negative goodwill arising from additional interest in a subsidiary company	(69,073)	-	-	-
Recovered on impairment loss of trade receivables	(179,000)	-	-	-
Rental income	(235,000)	(36,081)	-	-
Realised foreign exchange gain	(12,483)	(974)	-	-
Unrealised foreign exchange gain	(36,789)	-	-	-
	<u>1,521,149</u>	<u>1,824,514</u>	<u>1,521,149</u>	<u>1,824,514</u>

6. STAFF COSTS

	Group	
	2012 RM	2011 RM
Salaries, wages and allowances	1,347,475	1,607,596
EPF and SOCSO	133,475	154,706
Other employee benefits	40,199	62,212
	<u>1,521,149</u>	<u>1,824,514</u>

Number of employees in the Group at the end of the financial year (excluding directors) are 69 (2011: 68).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

7. FINANCE COSTS

	Group	
	2012 RM	2011 RM
Bankers' acceptance interest	-	1,571
Bank overdraft interest	313,207	287,187
Hire purchase interest	8,806	62,188
	<u>322,013</u>	<u>350,946</u>

8. TAXATION

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Current income tax expense	6,144	29,873	-	-
Over provision of current tax in prior year	(514)	-	-	-
Tax expense for the financial year	<u>5,630</u>	<u>29,873</u>	<u>-</u>	<u>-</u>

A reconciliation of income tax expenses applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follow:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
(Loss) / Profit before taxation	<u>(3,490,722)</u>	<u>(6,835,249)</u>	<u>6,810,514</u>	<u>(6,853,245)</u>
Income tax using Malaysian tax rate of 25%	(872,680)	(1,708,812)	1,702,629	(1,713,311)
Tax effect of non-deductible expenses	69,378	159,010	389,872	1,713,311
Income not subject to tax	(13,728)	-	(2,111,977)	-
Deferred tax assets not recognised during the year	823,174	1,580,506	19,476	-
(Over)provision of income tax in prior year	(514)	-	-	-
Utilisation of deferred tax assets not recognised previously	-	(831)	-	-
Tax expense for the financial year	<u>5,630</u>	<u>29,873</u>	<u>-</u>	<u>-</u>

Deferred tax assets in respect of the following items have not been recognised except to the extent it offset the deferred tax liabilities relating to the same tax authority:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Temporary difference between the carrying amount of property, plant and equipment and their tax bases	4,082,787	11,813,751	-	-
Revaluation surplus of property, plant and equipment	8,890,383	3,832,920	-	-
Unabsorbed capital allowances	(9,155,743)	(12,136,219)	-	-
Unabsorbed tax losses	(34,437,075)	(37,422,797)	(77,904)	-
	<u>(30,619,648)</u>	<u>(33,912,345)</u>	<u>(77,904)</u>	<u>-</u>
Potential net tax benefits calculated at 25% tax rate	<u>(7,654,912)</u>	<u>(8,478,086)</u>	<u>(19,476)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

In addition, the Group has unabsorbed reinvestment allowances of RM18,494,326 (2011: RM18,494,326) which can be offset against future taxable profits of the relevant company subject to the agreement by the Inland Revenue Board.

9. EARNING PER SHARE

The basic earnings per share are calculated by dividing the net loss for the year attributable to owners of the Company of RM 3,496,352 (2011: RM 6,891,587) by the number of ordinary shares of 320,000,000 (2011: 320,000,000) in issue during the financial year.

The diluted earnings per share are not presented as there are no potential dilutive ordinary shares outstanding at the end of reporting period.

10. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Unquoted investment, at cost	3,032,621	-	3,032,621	-
Less: Unrealised gain on disposal of property, plant and equipment to an associate	(99,816)	-	-	-
Less: Share of losses in investment in associates	(51,517)	-	-	-
	<u>2,881,288</u>	<u>-</u>	<u>3,032,621</u>	<u>-</u>

Name of Associate	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2012	2011
NWP LAO Industries Co., Ltd	Lao People's Democratic Republic	Manufacturing and selling of timber and timber products	24.58%	-

The investment in NWP LAO Industries Co., Ltd was accounted for in the financial statements under the equity method using the non-audited financial statements, as the audited financial statements of the associated company are not available.

The summarised financial information of the associate not adjusted for proportion of ownership interest held by the Group is as follows:

	Group	
	2012 RM	2011 RM
Revenue	24,820	-
Loss after tax	(200,790)	-
Non-current assets	12,005,294	-
Current assets	404,245	-
Current liabilities	(546,279)	-
Net assets	<u>11,863,260</u>	<u>-</u>

On 8 July 2011, the Company entered into a joint venture agreement ("Agreement") with NWP Lao Industries Co Ltd ("NLI") to venture into timber related business in Lao People's Democratic Republic.

The Company will subscribe shares by way of the introduction of assets and cash. The investment will represent 40% of the registered capital of NLI and the Company has been given the option to subscribe up to 49% in the capital of NLI within two years from the date of the Agreement.

Under the agreement, the Company is required to manage and operate its timber processing facility in NLI and to train local employees to manage and operate its timber processing facility in NLI.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

11. INVESTMENT IN SUBSIDIARY COMPANIES

	2012 RM	Group 2011 RM
Unquoted shares - at cost	54,340,726	53,740,723
Less: Accumulated impairment losses	(29,432,814)	(36,571,238)
	<u>24,907,912</u>	<u>17,169,485</u>

(a) All the subsidiary companies are incorporated in Malaysia and their details are as follow:

Name of Subsidiaries	Principal Activities	Effective Equity Interest	
		2012	2011
NWP Industries Sdn. Bhd.	Manufacturing and selling of timber and timber products and provision of kiln drying services	100%	100%
DMKT Timber Sdn. Bhd.	Logging contractor and provision of forest management services	100%	100%
NWP O & M Sdn. Bhd.	Providing of sawmilling services and agricultural produce business.	100%	100%
NWP Builder Sdn. Bhd.	Provision of construction, development and related services	100%	70%

(b) Acquisition of subsidiary

During the financial year, the Company has acquired the remaining 30% equity interests in NWP Builder Sdn. Bhd. from its non controlling interests for a total consideration of RM 3. Consequently thereto, NWP Builder Sdn. Bhd. has become wholly-owned subsidiary of the Company.

12. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	2012 RM	Company 2011 RM
Amount due from subsidiaries	31,679,072	34,607,549
Less: Accumulated impairment losses	(9,643,836)	(9,360,306)
	<u>22,035,236</u>	<u>25,247,243</u>

The amount due from subsidiary companies is unsecured and interest free. The Company has provided an undertaking that it will not demand repayment of the advances without giving a notice of at least twelve months. Hence, the settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is, in substance, the holding company's long term commitment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

13. PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold	Buildings	Motor	Tools and	Office	Road	Total
	land	and quarters	vehicles,	equipment	renovation,		
	RM	RM	plant and	and factory	furniture and	RM	RM
			machinery	equipment	fittings, electrical		
			RM	RM	office equipment		RM
AT COST / VALUATION							
At 1 September 2009 (Restated)	5,524,149	17,506,718	48,734,573	73,929	2,546,596	711,380	75,097,345
Additions	-	-	129,650	-	2,304	-	131,954
At 31 August 2010	5,524,149	17,506,718	48,864,223	73,929	2,548,900	711,380	75,229,299
At 1 September 2010 (Restated)	5,524,149	17,506,718	48,864,223	73,929	2,548,900	711,380	75,229,299
Additions	-	-	272,015	-	8,683	-	280,698
Transfer to assets held for sale	-	-	(4,934,165)	-	-	-	(4,934,165)
At 1 September 2011	5,524,149	17,506,718	44,202,073	73,929	2,557,583	711,380	70,575,832
Additions	-	-	477,932	7,960	3,578	-	489,470
Revaluation surplus	5,987,515	5,057,463	-	-	-	-	11,044,978
Disposal	-	-	(497,281)	-	-	-	(497,281)
Transfer to assets held for sale	-	-	(19,988,314)	-	-	-	(19,988,314)
At 31 August 2012	11,511,664	22,564,181	24,194,410	81,889	2,561,161	711,380	61,624,685
Representing :							
- At cost	-	153,391	1,689,576	81,889	2,561,161	711,380	5,197,397
- At valuation	11,511,664	22,410,790	22,504,834	-	-	-	56,427,288
	11,511,664	22,564,181	24,194,410	81,889	2,561,161	711,380	61,624,685

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

13. PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold land RM	Buildings and quarters RM	Motor vehicles, plant and machinery RM	Tools and equipment and factory equipment RM	Office renovation, furniture and fittings, electrical installation and office equipment RM	Road RM	Total RM
ACCUMULATED DEPRECIATION							
At 1 September 2009 (Restated)	413,110	2,337,075	33,555,421	56,544	1,770,073	308,265	38,440,488
Charge for the financial year	70,333	358,520	2,425,194	3,718	198,047	71,138	3,126,950
At 31 August 2010	483,443	2,695,595	35,980,615	60,262	1,968,120	379,403	41,567,438
At 1 September 2010 (Restated)	483,443	2,695,595	35,980,615	60,262	1,968,120	379,403	41,567,438
Charge for the financial year	70,333	358,519	2,451,883	3,254	190,217	71,138	3,145,344
Transfer to assets held for sale	-	-	-	-	-	-	-
At 31 August 2011	553,776	3,054,114	38,432,498	63,516	2,158,337	450,541	44,712,782
Charge for the financial year	100,393	383,316	879,219	3,020	118,136	71,138	1,555,222
Disposal	-	-	(436,281)	-	-	-	(436,281)
Transfer to assets held for sale	-	-	(15,326,209)	-	-	-	(15,326,209)
At 31 August 2012	654,169	3,437,430	23,549,227	66,536	2,276,473	521,679	30,505,514
CARRYING AMOUNT							
At 1 September 2010 (Restated)	5,040,706	14,811,123	12,883,608	13,667	580,780	331,977	33,661,861
At 31 August 2011	4,970,373	14,452,604	5,769,575	10,413	399,246	260,839	25,863,050
At 31 August 2012	10,857,495	19,126,751	645,183	15,353	284,688	189,701	31,119,171
Depreciation charge for the year 2011	70,333	358,519	2,451,883	3,254	190,217	71,138	3,145,344

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

- (a) An independent valuation was carried out on 2 May 2012 by JS Valuers Property Consultants (E.M) Sdn. Bhd., a professional firm of Valuers, on leasehold land, buildings and quarters. In addition during the year the directors had performed a valuation on the motor vehicles and plant and machinery based on the market research and replacement cost method. The revaluation surplus arising from the revaluation is credited into the revaluation reserve (Note 22).
- (b) Had the revalued leasehold land, buildings and quarters, motor vehicles and plant and machinery of the Group been stated at historical cost less accumulated depreciation and impairment loss, if any, the carrying amount of the revalued assets that would have been recognised in the financial statements at the end of the financial year would be as follows:

	Group	
	2012	2011
	RM	RM
Leasehold land	1,513,894	1,533,618
Buildings and quarters	12,793,613	13,153,388
Plant and machinery	145,690	1,776,453
	<u>14,453,197</u>	<u>16,463,459</u>

- (c) The leasehold land at carrying amount of RM 4,730,279 (2011: RM 2,144,224) has been charged to licensed banks for credit facilities granted to the Group as disclosed in Note 25.
- (d) The motor vehicles at carrying amount of RM 250,449 (2011: RM 106,158) are acquired under hire purchase installment plans as disclosed in Note 23.
- (e) The motor vehicles at carrying amount of RM 240,215 (2011: RM 82,158) are held in trust by certain directors of the Group.
- (f) The directors have conducted impairment test on the valuation for property, plant and equipment of the Group and the Company for the year ended 31 August 2012 and are of the view that there is no necessity to provide for any impairment loss.

14. BIOLOGICAL ASSETS

	Group	
	2012	2011
	RM	RM
At cost		
At beginning of the financial year	-	-
Additions	35,720	-
At end of the financial year	<u>35,720</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

15. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Motor vehicles, plant and machinery RM	Total RM
AT COST		
At 1 September 2011	4,934,165	4,934,165
Transferred from property, plant and equipment	19,988,314	19,988,314
Disposals	(7,031,953)	(7,031,953)
	<hr/>	<hr/>
At 31 August 2012	17,890,526	17,890,526
ACCUMULATED DEPRECIATION		
At 1 September 2011	3,607,952	3,607,952
Transferred from property, plant and equipment	15,326,209	15,326,209
Disposals	(5,227,735)	(5,227,735)
	<hr/>	<hr/>
At 31 August 2012	13,706,426	13,706,426
NET CARRYING AMOUNT		
At 31 August 2012	4,184,100	4,184,100
	<hr/>	<hr/>
At 31 August 2011	1,326,213	1,326,213

The Company is required to supply identified plant and machinery for the timber processing operations to NWP Lao Industries Co. Ltd ("NLI") at an agreed sum as stated in a joint venture agreement between the two parties. Accordingly, the identified plant and machinery of a subsidiary have been reclassified from property, plant and equipment to assets held for sale and stated at lower of carrying amount and fair value less cost to sell.

In addition, the directors of the Company had approved the reclassification of certain property, plant and equipment in a subsidiary to assets held for sale during the financial year. The Company is actively seeking for buyers of the assets held for sale.

The proceeds of the disposal of motor vehicles, plant and machinery is expected to exceed the net carrying amount of the relevant assets and no impairment loss has been recognised on the classification of the assets as held for sale.

16. INVENTORIES

	Group	
	2012 RM	2011 RM
At cost:		
Raw materials	1,134,434	1,406,628
Work-in-progress	287,577	442,328
Finished goods	321,806	344,495
Consumable stock	197,680	241,270
	<hr/>	<hr/>
	1,941,497	2,434,721
At net realisable value:		
Raw materials	3,365,817	4,044,706
Work-in-progress	1,174,145	1,607,174
Finished goods	223,338	279,267
	<hr/>	<hr/>
	4,763,300	5,931,147
	<hr/>	<hr/>
Total inventories at cost and net realisable value	6,704,797	8,365,868

The Group did not make any further write down of inventories during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade receivables				
Trade receivables	16,069,906	15,674,132	-	-
Less: Accumulated impairment losses	(10,753,981)	(10,700,774)	-	-
	<u>5,315,925</u>	<u>4,973,358</u>	<u>-</u>	<u>-</u>
Other receivables				
Other receivables	786,469	906,800	-	199,549
Deposits	2,754,355	2,758,914	2,000	2,000
Prepayments	191,006	175,320	7,047	6,747
	<u>3,731,830</u>	<u>3,841,034</u>	<u>9,047</u>	<u>208,296</u>
Less: Accumulated impairment losses				
- Other receivables	(152,684)	-	-	-
- Deposit	(1,766,000)	(1,945,000)	-	-
- Prepayments	(162,666)	(162,666)	-	-
	<u>1,650,480</u>	<u>1,733,368</u>	<u>9,047</u>	<u>208,296</u>
Total trade and other receivables	<u>6,966,405</u>	<u>6,706,726</u>	<u>9,047</u>	<u>208,296</u>

18. AMOUNT DUE FROM AN ASSOCIATE

Amount due from an associate is unsecured, interest free and repayable on demand.

19. AMOUNT DUE FROM CONTRACT CUSTOMERS

	Group	
	2012 RM	2011 RM
Aggregate costs incurred to date	-	4,305,059
Attributable profit	-	410,711
	<u>-</u>	<u>4,715,770</u>
Progress billings	-	(3,924,705)
	<u>-</u>	<u>(3,924,705)</u>
Amount due from contract customers	<u>-</u>	<u>791,065</u>

20. DEPOSITS WITH LICENSED BANKS

	Group and Company	
	2012 RM	2011 RM
Short term deposits	<u>1,619,262</u>	<u>2,911,380</u>

The weighted average effective interest rate of the short term deposits as at balance sheet date was 2.6% (2011: 2.6%) per annum and the maturity period was 30 days.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

21. SHARE CAPITAL

	Group and Company	
	2012	2011
	RM	RM
Authorised:		
400,000,000 ordinary shares of RM 0.25 each	100,000,000	100,000,000
Issued and fully paid:		
320,000,000 ordinary shares of RM 0.25 each	80,000,000	80,000,000

22. REVALUATION RESERVE

Revaluation reserve represents non-distributable surplus arising from the revaluation of leasehold land, buildings and quarters, motor vehicles, plant and machinery (Note 13).

23. HIRE PURCHASE PAYABLES

The Group has finance leases for certain assets as disclosed in property, plant and equipment (Note 13). Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:-

	Group	
	2012	2011
	RM	RM
Minimum lease payment:		
Not later than 1 year	76,755	51,456
Later than 1 year but not later than 2 years	60,540	37,851
Later than 2 years but not later than 5 years	110,179	21,636
	247,474	110,943
Less: Future finance charges	(33,709)	(15,044)
Present value of finance lease liabilities	213,765	95,899
Present value of finance lease liabilities:		
Not later than 1 year	62,421	44,436
Later than 1 year but not later than 2 years	50,096	32,975
Later than 2 years but not later than 5 years	101,248	18,488
	213,765	95,899
Analysed as:		
Due within 12 months	62,421	44,436
Due after 12 months	151,344	51,463
	213,765	95,899

The effective interest rate of the hire purchase payables ranged from 4.52 to 7.92% (2011: 3.9% to 4.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade payables	758,250	426,976	-	-
Other payables				
Other payables	226,246	271,510	6,003	53,365
Accruals	271,914	271,572	8,140	6,800
Deposits received	125,070	34,990	-	-
	<u>623,230</u>	<u>578,072</u>	<u>14,143</u>	<u>60,165</u>
Total trade and other payables	<u>1,381,480</u>	<u>1,005,048</u>	<u>14,143</u>	<u>60,165</u>

The normal credit term granted to the Group ranged from 30 to 120 days (2011: 30 to 120 days).

25. BANK OVERDRAFT

	Group	
	2012 RM	2011 RM
Bank overdraft (secured)	<u>3,945,601</u>	<u>3,501,264</u>

(a) The bank overdraft is secured by way of:

- (i) Legal charges over the Group's leasehold land and buildings held as property, plant and equipment (Note 13);
- (ii) Registered debentures over all the fixed and floating assets of a subsidiary;
- (iii) Corporate guarantee by the Company and the holding company; and
- (iv) Jointly and severally guaranteed by two directors of the Group and of the Company.

(b) The bank overdraft bears interest at 8.6% (2011: 8.6%) per annum.

26. RELATED PARTY DISCLOSURE

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company has the ability directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries and associate as disclosed in Note 10 and Note 11 respectively. There are no significant related party transactions between subsidiaries during the financial year. The following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2012 RM	2011 RM
Disposal of assets held for sale to an associate	<u>2,235,306</u>	-

Key management personnel include the Company's directors are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The directors' remuneration is disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

27. CONTINGENT LIABILITIES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Unsecured				
Corporate guarantees issued to financial institutions for credit facilities granted to subsidiaries	-	-	7,050,000	7,050,000

28. FINANCIAL INSTRUMENTS

(a) Classification, fair value and other disclosures (except for risks disclosures)

	Group	
	2012 RM	2011 RM
Financial assets:		
Amount due from subsidiary companies	-	22,035,236
Amount due from an associate	624,001	624,001
Trade and other receivables	6,966,405	9,047
Fixed deposits with bank	1,619,262	1,619,262
Cash and bank balances	880,266	95,108
Financial liabilities:		
Trade and other payables	1,381,480	14,143
Bank overdraft	3,945,601	-
Hire purchase payables	213,765	-

(b) Risks disclosures

The Group and the Company have only the above category of financial instruments. No fair value information is provided as the carrying amounts of the above financial assets and liabilities represent a reasonable approximation of their fair values due to their short term in nature. As further described in Note 12, amount due from subsidiary companies is in substance the Company's long term commitment in the subsidiaries and hence stated at cost, less accumulated impairment loss, if any.

None of the financial assets were pledged as collateral for any liability or contingent liability. The income, expenses, gains or losses arising from the financial instruments of the Group and of the Company for the year are disclosed in Note 5.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasuries activity are set out as follows:

(i) Credit risk

The Group's credit risk arises principally from the receivables from customers and other receivables. Credit risk on trade receivables is managed by the application of credit approvals, credit limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis by the management team.

The Group's credit terms given to customers generally range from 30-120 days from the date of delivery or acceptance by customers and are frequently assessed and approved on a case-by-case basis. The Group has significant concentration of credit risk that arises from exposure to a single debtor. The maximum exposure to credit risk is represented by carrying amounts in the Statement of Financial Position and as presented in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

(b) Risks disclosures (Continued)

(i) Credit risk (Continued)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivable is as follows:

	Group	
	2012 RM	2011 RM
Neither past due nor impaired	2,202	101,387
Past due 1 -30 days but not impaired	52,333	1,269
Past due 31 - 120 days but not impaired	88,795	24,832
More than 120 days but not impaired	5,172,595	4,845,870
	<hr/>	<hr/>
Impaired (individually)	5,315,925 10,753,981	4,973,358 10,700,774
	<hr/>	<hr/>
	<u>16,069,906</u>	<u>15,674,132</u>

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM 5,313,723 (2011: RM 4,871,971) that are past due at the reporting date but not impaired. The management is confident that these receivables which are unsecured are recoverable as these accounts are still active.

Trade receivables that are impaired

Trade receivables that are individually determined to be impaired at the reporting date are determined on a case-by-case basis, and normally relate to debtors that have financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements. The movement of the allowance accounts used to record the impairment loss is as follow:

	Group	
	2012 RM	2011 RM
Allowance for impairment account:		
At beginning of the financial year	10,700,774	10,612,507
Additions	53,207	88,267
	<hr/>	<hr/>
At end of the financial year	<u>10,753,981</u>	<u>10,700,774</u>

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to the credit risk amounts to approximately RM 3.9 million representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

Inter-company balances

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. The movements of impairment of loans to subsidiaries during the financial year were:

	Company	
	2012 RM	2011 RM
Impairment loss on advance to subsidiaries (Note 5)	283,530	1,716,532

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's source of financing mainly comes from the paid-up capital and banking credit facilities to ensure that the Group has sufficient liquidity to meet their liabilities when they fall due.

Maturity Analysis of Financial Liabilities

The normal credit terms given by the trade and other payables ranged from 30 to 120 days (2011: 30 to 120 days)

Trade and other payables are either overdue or due within 1 year. The maturity analysis of hire purchase payables are shown in Note 23.

(iv) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from their borrowings.

The Group manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis.

Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweigh the potential risk of interest rate fluctuation.

The information on maturity dates and effective interest rate of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

Fair value sensitivity analysis for fixed rate instruments

The Group does not have significant fixed rate financial assets and liabilities at fair value through profit or loss and equity. Therefore a change in interest rates at the reporting date would not affect profit or loss and equity.

Fair value sensitivity analysis for variable rate instruments

A change of 25 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group Profit or loss / Equity	
	25 bp Increase RM	25 bp Decrease RM
Variable rate instruments	35,979	16,251

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Group has transactional currency exposures arising from sales that are denominated in a currency other than the respective functional currency of the Group, Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily United States Dollar ("USD") and Australian Dollar ("AUD").

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

(iv) Foreign currency risk (Continued)

The Group is also exposed to currency translation risk arising from its investment in an associate in LAOS with carrying amount of the Group of RM 2,681,027 (2011: RM NIL) and the Company of RM 3,032,621 (2011: RM NIL).

Exposure to foreign currency risk

The Group's exposure to foreign currency risk, based on the carrying amounts at the reporting date is as follow:

	USD RM	AUD RM	RM RM	Total RM
As at 31 August 2012				
Financial assets:				
Amount due from an associate	624,001	-	-	624,001
Trade and other receivables	109,760	-	6,856,644	6,966,404
Cash and bank balances	494,193	6,225	379,848	880,266
	1,227,954	6,225	7,236,492	8,470,671
Currency exposure	1,227,954	6,225	-	1,234,179
As at 31 August 2011				
Financial assets:				
Trade and other receivables	100,639	-	6,606,087	6,706,726
Cash and bank balances	511,344	5,361	187,617	704,322
	611,983	5,361	6,793,704	7,411,048
Currency exposure	611,983	5,361	-	617,344

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis of the Group's loss for the year and equity to a reasonable possible change in the major foreign currency USD against the functional currency with all other variables held constant:

	2012	
	Effect on loss after taxation RM	Effect on equity RM
USD		
- strengthened by 5%	40,237	40,237
- weakened by 5%	(40,237)	(40,237)
	2011	
	Effect on loss after taxation RM	Effect on equity RM
USD		
- strengthened by 5%	30,599	30,599
- weakened by 5%	(30,599)	(30,599)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business of the Group.

The Group's policy is to keep gearing within the manageable level and to maintain an optimal debt-to-equity ratio that complies with debt covenants. The debt-to-equity ratio of the Group as at the end of the reporting year was as follows:

	2012	Group	2011
	RM		RM
Total borrowings	4,159,366		3,597,163
Equity attributable to owners of the Group	53,108,227		45,559,601
Debt-to-equity ratio	0.08		0.08

There were no changes in the Group's approach to capital management during the year.

30. SEGMENT INFORMATION

(a) Operating Segments

The Group is organised into four major operating segments as follows:-

(i) Moulding and timber

Manufacturing and selling of timber and timber products and provision of kiln drying services.

(ii) Logging

Logging contractor and provision of forest management services.

(iii) Construction and development

Provision of construction, development and related services.

(iv) Investment and others

Investment holding.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

2012	Moulding and timber RM	Logging RM	Construction and development RM	Investment and others RM	Eliminations RM	Consolidated RM
Revenue:						
External sales	2,181,872	245,211	1,577,765	58,845	-	4,063,693
	2,181,872	245,211	1,577,765	58,845	-	4,063,693
Results:						
Segment results	(1,282,551)	(131,973)	14,078	6,795,432	(7,006,228)	(1,611,242)
Realised gain on foreign exchange	49,272	-	-	-	-	49,272
Share of loss in an associate	(51,517)	-	-	-	-	(51,517)
Depreciation	(1,549,912)	(5,310)	-	-	-	(1,555,222)
Finance costs	(320,021)	(1,992)	-	-	-	(322,013)
Income tax expense	-	-	(5,630)	-	-	(5,630)
(Loss)/Profit after taxation	(3,154,729)	(139,275)	8,448	6,795,432	(7,006,228)	(3,496,352)
Non-controlling interest	-	-	-	-	-	-
Net (loss)/profit for the financial year	(3,154,729)	(139,275)	8,448	6,795,432	(7,006,228)	(3,496,352)
Assets						
Segment assets	47,425,576	1,432,072	4,447,510	52,444,541	(47,094,482)	58,655,217
Liabilities						
Segment liabilities	22,534,918	10,361,955	4,208,817	120,372	(31,679,072)	5,546,990

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

2011	Moulding and timber RM	Logging RM	Construction and development RM	Investment and others RM	Eliminations RM	Consolidated RM
Revenue:						
External sales	6,645,873	2,084	1,791,480	68,549	-	8,507,986
	6,645,873	2,084	1,791,480	68,549	-	8,507,986
Result:						
Segment result	(2,394,279)	(978,342)	118,091	(6,852,159)	6,766,756	(3,339,933)
Realised gain on foreign exchange	974	-	-	-	-	974
Depreciation	(2,363,133)	(782,211)	-	-	-	(3,145,344)
Finance costs	(293,786)	(57,160)	-	-	-	(350,946)
Income tax expenses	-	-	(29,873)	-	-	(29,873)
(Loss)/Profit after taxation	(5,050,224)	(1,817,713)	88,218	(6,852,159)	6,766,756	(6,865,122)
Non-controlling interest	-	-	(26,465)	-	-	(26,465)
Net (loss)/profit for the financial year	(5,050,224)	(1,817,713)	61,753	(6,852,159)	6,766,756	(6,891,587)
Assets						
Segment assets	45,153,358	1,330,910	5,054,074	52,332,640	(53,562,151)	50,308,831
Liabilities						
Segment liabilities	28,083,877	10,121,519	4,823,829	637,147	(38,986,215)	4,680,157

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

30. SEGMENT INFORMATION (Continued)

(b) Geographical information

Revenue information based on geographical location of its customers:-

	Revenue 2012 RM
Malaysia	2,293,224
Outside Malaysia	1,770,469
	<u>4,063,693</u>

(c) Major customers

The following major customers of the Group with revenue equal or more than 10% of the Group's revenue:

	Revenue 2012 RM
Two major customers	935,705
One major customer	1,577,765
	<u>2,513,470</u>

(d) Non-current assets information based on geographical location:-

	2012 RM
Malaysia	34,762,843
Lao People's Democratic Republic	2,881,288
	<u>37,644,131</u>

31. SUPPLEMENTARY INFORMATION ON BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 31 August 2012 and 31 August 2011 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ('Bursa Malaysia') on 20 December 2010 and is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2012 RM	Group 2011 RM	Company 2012 RM	2011 RM
Total accumulated losses of the Company and its subsidiaries				
- Realised	(47,642,413)	(45,157,656)	(39,309,916)	(46,120,430)
- Unrealised	-	-	-	-
	<u>(47,642,413)</u>	<u>(45,157,656)</u>	<u>(39,309,916)</u>	<u>(46,120,430)</u>
Add : Consolidation adjustments	(1,536,650)	(1,339,785)	-	-
	<u>(49,179,063)</u>	<u>(46,497,441)</u>	<u>(39,309,916)</u>	<u>(46,120,430)</u>

The disclosure of realised and unrealised profits and losses is solely for the purpose of disclosure requirements of Bursa Securities Listing Requirements and should not be applied for any other purpose.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31st August 2012 (Continued)

32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 8 July 2011, the Company entered into a joint venture agreement ("Agreement") with NWP Lao Industries Co Ltd ("NLI") to venture into timber related business in Lao People's Democratic Republic.

The Company will subscribe shares by way of the introduction of assets and cash. The investment will represent 40% of the registered capital of NLI and the Company has been given the option to subscribe up to 49% in the capital of NLI within two years from the date of the Agreement.

Under the agreement, the Company is required to manage and operate its timber processing facility in NLI and to train local employees to manage and operate its timber processing facility in NLI.

As at year end, the Company has subscribed shares in NLI of 24.58% in equity interest in its associate company by way of introduction plant and machineries and in cash.

Lodged by : Computeraid Management Services Sdn. Bhd.
Address : Unit 1119, 11th Floor, Block A,
Damansara Intan, No: 1, Jalan SS 20/27,
47400 Petaling Jaya, Selangor Darul Ehsan
Tel. No. : 03-71182892

LIST OF PROPERTIES

As At 31st August 2012

Location	Description/ Existing Use	Tenure/ Expiry Date	Date of Acquisition/ (Revaluation)	Land Area (Hectares)	Age of Building (Years)	Net Book Value (RM'000)
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	(2/5/2012)	4,046	19	11,832
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	(2/5/2012)	2,683	16	11,983
Country Lease 025359951, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah.	Open shed timber stock and moulding yard	99 years lease expiring on 31 December 2098	(2/5/2012)	2,515	10	6,169

ANALYSIS OF SHAREHOLDINGS

As At 31st August 2012

SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000
Issued and Fully Paid Up Capital	:	RM 80,000,000
Class of Shares	:	Ordinary shares of RM0.25 each
Voting Rights	:	One vote per shareholder on a show of hand One vote per share on a poll

SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of total Shares
Less than 99	36	3.27	1,175	0.00
100 – 1,000	65	5.90	28,225	0.01
1,001 – 10,000	779	70.69	3,682,012	1.15
10,001 – 100,000	186	16.88	4,108,652	1.28
100,001 – 15,999,999	33	2.99	105,216,940	32.88
Above 16,000,000 *	3	0.27	206,962,996	64.68
(*5% & above of issued shares)				
Total	1102	100.00%	320,000,000	100.00%

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 31ST DECEMBER 2012

Name of Substantial Shareholders	No of shares		Percentage	
	Direct	Indirect	Direct	Indirect
Chang Ah Ngau		27,200,000**		8.50
Wong See Ming	19,407,000	160,355,996*	6.06	50.11
		27,200.00**		8.50
Sepang Heights Sdn Bhd	160,355,996		50.11	
Cashflow Budget Sdn Bhd	27,200,000		8.50	

Note :-

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

** Deemed interest by virtue of his equity interest in Cashflow Budget Sdn. Bhd.

STATEMENT OF DIRECTORS' INTEREST IN SHARES AS AT 31ST DECEMBER 2012

Name	NWP Holdings Berhad	
	Direct Interest	Indirect Interest
	No. of ordinary shares of RM0.25 each	
Wong See Ming	19,407,000	160,355,996 *
Wong Wee Kean	16,000	27,200,000 **
		-

Note :-

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

** Deemed interest by virtue of his equity interest in Cashflow Budget Sdn. Bhd.

LIST OF 30 LARGEST SHAREHOLDERS

As At 31st August 2012

No.	Name of Shareholders	No. of Shares	Percentage
1	Sepang Heights Sdn Bhd	160,355,996	50.11
2	Cashflow Budget Sdn Bhd	27,200,000	8.50
3	RHB Capital Nominees (Tempatan) Sdn Bhd	17,400,000	5.44
4	Poh Choo Chin	15,739,468	4.92
5	Chan Wai Peng	14,633,632	4.57
6	Cheok Wi Kim	14,203,596	4.44
7	Tegas Erti Sdn Bhd	13,580,000	4.24
8	Vector Thunder Sdn Bhd	9,476,000	2.96
9	Wong Oi Sang	6,405,332	2.00
10	Hoh Kim Ling	5,338,668	1.67
11	Pang Kwee Yin	5,333,336	1.67
12	Heliodoro Canalija Dayanan	4,944,000	1.55
13	Wong Yoon Moi	4,538,668	1.42
14	Lim Keng Loong	2,868,432	0.90
15	Wong See Ming	1,623,200	0.51
16	Ding Ming Tiong	1,440,936	0.45
17	Cartaban Nominees (Asing) Sdn Bhd	900,000	0.28
18	Wong Siew Fong	834,600	0.26
19	Kee Wah Seng	730,000	0.23
20	Lum Chee Keong	629,100	0.20
21	Wong Say Hong	538,668	0.17
22	Tok Boon Seong	390,200	0.12
23	Wong See Ming	383,800	0.12
24	Choo Kam Lee	312,200	0.10
25	Richard Bainon @ Rayner	237,800	0.07
26	Teh Beng Geok	224,668	0.07
27	Khor Chin Guan	209,500	0.07
28	Alliance Group Nominees (Tempatan) Sdn Bhd	203,500	0.06
29	Lew Jih Choong	200,000	0.06
30	Maybank Nominees (Tempatan) Sdn Bhd	200,000	0.06

Thirteenth Annual General Meeting

*I/We.....NRIC No. :
(Full name in block letters)

of.....
(Full address)

being a Member/Members of NWP HOLDINGS BERHAD (Company No. 495476-M), hereby appoint

.....NRIC No. :
(Full name in block letters)

of
(Full address)

or failing him/her the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Thirteenth Annual General Meeting of the Company to be held at Melati Room, The Royale Bintang Damansara,6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 day of February 2013 at 9.00 a.m. and at any adjournment thereof *for / against the resolution(s) to be proposed thereat.

Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion.

NO	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Accounts of the Company for the year ended 31st August 2012 and the Reports of the Directors and Auditors thereon.		
2.	To pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:- "THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr. Lee Khim Sin who is over the age of seventy years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."		
3.	To re-elect Datuk John Madula, the Director retiring in accordance with Article 77 of the Company's Articles of Association.		
4.	To appoint Auditors and to fix their remuneration.		
5.	As Ordinary Resolution:- Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		

Signed this _____ day of _____ 2013

No. of shares held

Signature(s) of Shareholder(s)
* Delete where applicable

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 not be entitled to appoint more than two (2) proxies to attend and vote at the meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
4. 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.
5. 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. 1Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

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Affix
Stamp
Here

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.

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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.