

annual report

‘07



PWE Industries Berhad

(Company No.18904-M)

Contents

2.	<i>Notice of Annual General Meeting</i>
4.	<i>Statement Accompanying Notice of Annual General Meeting</i>
5.	<i>Corporate Information</i>
6.	<i>Profile of Directors</i>
7.	<i>Chairman's Statement</i>
10.	<i>Report from the Audit Committee</i>
12.	<i>Corporate Governance Report</i>
14.	<i>Statement on Internal Control</i>
15.	<i>Other Disclosures</i>
16.	<i>Appendix I</i>
21.	<i>Financial Statements</i>
48.	<i>List of Properties</i>
49.	<i>Analysis of Shareholders</i>
	<i>Form of Proxy</i>



PWE Industries Berhad
(Company No. 18904-M • Incorporated in Malaysia)

2 Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting of the Company will be held at the Meeting Room at Lot 5428-5429, Block 16, KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak on Friday, 28 September 2007 at 11:00 a.m. for the following purposes:-

1. To receive the Audited Financial Statements for the financial year ended 31 March 2007 together with the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To approve the payment of Directors' fees for the financial year ended 31 March 2007. **Resolution 2**

3. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:- **Resolution 3**

"That pursuant to Section 129(6) of the Companies Act, 1965, YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin, who has exceeded the age of seventy (70) years, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

4. To re-elect Tan Sri Dato' Paduka (Dr) Ting Pek Khiing who shall retire pursuant to Article 91 of the Company's Articles of Association. **Resolution 4**

5. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Resolution 5**

6. **As Special Business:**

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

Ordinary Resolution

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

Resolution 6

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share 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 the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the Companies Act, 1965, the Articles of Association of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issues."

7. *Special Resolution*
- Proposed Amendments to the Articles of Association of the Company **Resolution 7**

"THAT the proposed amendments, modifications, additions or deletions to the Articles of Association of the Company as set out in Appendix I of the 2007 Annual Report be and are hereby approved and adopted AND THAT, the Board of Directors be and is hereby authorised to give effect to the said amendments, modifications, additions or deletions."

Notice Of Annual General Meeting (cont'd)

- 8 To transact any other ordinary business of which due notice has been given in accordance with the Companies Act, 1965.

By Order of the Board

YEO PUAY HUANG (LS 0000577)

CHUA SIEW CHUAN (MAICSA 0777689)

Company Secretaries

Kuala Lumpur

6 September 2007

Explanatory Notes To Special Business

1. Authority to allot shares pursuant to Section 132D of the Companies Act, 1965

The above Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot shares at any time in their absolute discretion without convening a general meeting provided that the aggregate number of shares issued does not exceed 10% of the issued share capital of the Company for the time being.

2. Proposed Amendments to the Articles of Association of the Company

The proposed adoption of the Special Resolution will bring the Company's Articles of Association in line with the amendments made to the Listing Requirements of Bursa Malaysia Securities Berhad, where applicable, and to enhance administrative efficiency.

Notes:

1. *A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
3. *Where a member of the Company is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *The Form of Proxy, in the case of an individual, shall be signed by the appointer or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
5. *The Form of Proxy must be deposited at the Registered Office of the Company at Lot 5428-5429, Block 16 KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak no later than forty-eight (48) hours before the time appointed for the meeting or any adjournment thereof.*

4

Statement Accompanying Notice Of Thirty-Third Annual General Meeting Of The Company

The Directors standing for re-election at the Thirty-Third Annual General Meeting of the Company are as follows:-

Name of Directors	Details of Individual Director and other Disclosure Requirements
YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin (Section 129(6) of the Companies Act, 1965)	Refer to page 6 of the Annual Report
Tan Sri Dato' Paduka (Dr) Ting Pek Khiing (Article 91 of the Company's Articles of Association)	Refer to page 6 of the Annual Report

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Paduka (Dr) Ting Pek Khiing
(Executive Chairman)

YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin
(Independent Non-Executive Director)

Nicholas John Lough @ Sharif Lough Abdullah
(Independent Non-Executive Director)

Sunny Khoo
(Non-Independent Non-Executive Director)

AUDIT COMMITTEE

YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin
(Chairman - Independent Non-Executive Director)

Nicholas John Lough @ Sharif Lough Abdullah
(Independent Non-Executive Director)

Sunny Khoo
(Non-Independent Non-Executive Director)

COMPANY SECRETARIES

Yeo Puay Huang (LS 0000577)
Chua Siew Chuan (MAICSA 0777689)

REGISTERED OFFICE

Lot 5428-5429, Block 16 KCLD
Lorong Lapangan Terbang Baru 1
93350 Kuching, Sarawak
Tel: 082-450 908 Fax: 082-452 924

SHARE REGISTRARS

Metra Management Sdn. Bhd.
Suite 30.02, 30th Floor
Menara Multi-Purpose, Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 03-2694 8333 Fax: 03-2694 8571

AUDITORS

Ernst & Young
Chartered Accountants (AF:0039)
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

PRINCIPAL BANKERS

Alliance Malaysia Bank Berhad
Public Bank Berhad

SOLICITORS

Chor Pee Anwarul & Co
Advocates & Solicitors
Suite 8-16-6, Level 16
Menara Olympia
No.8, Jalan Raja Chulan
50200 Kuala Lumpur

STOCK EXCHANGE LISTING

Second Board of Bursa Malaysia Securities Berhad

6

Profile Of Directors

Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, a Malaysian, aged 62. He was appointed to the Board of PWE Industries Berhad ("PWE") on 9 January 1995 as Executive Chairman. Tan Sri Ting, a self-made businessman, has over 25 years of experience in construction, specialising in the technology of using wood-based pre-fabricated standardised components and has successfully completed numerous housing projects for the Sarawak State Government and resort hotels in Sarawak and Pulau Langkawi. He also sits on the boards of Ekran Berhad and Wembley Industries Holdings Berhad, all of which are listed on Bursa Malaysia Securities Berhad, and several private limited companies.

Tan Sri Ting is a major shareholder of PWE. He does not have any family relationship with any Directors of the Company and he has no convictions for any offences within the last ten years. Tan Sri Ting has no conflict of interest with PWE other than disclosed in notes 9, 10 and 11 of the Audited Financial Statements for financial year ended 31 March 2007.

YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin, a Malaysian, aged 77. YM Tunku was appointed to the Board of PWE on 11 May 1989 as an Independent Non-Executive Director. YM Tunku is also the Chairman of the Audit Committee. YM Tunku has been actively involved in the corporate world for over 24 years. YM Tunku joined the Malay Administrative Services in 1953 and was subsequently appointed as the Assistant District Officer of Tampin and later the Assistant District Officer of Jelebu. In 1957, YM Tunku joined the Royal Customs and Excise Department (Customs) as a Superintendent and was with the Customs for 23 years and rose to the position of Director. In 1980 YM Tunku retired from the Customs and joined Island and Peninsular Development Berhad as a General Manager where he remained until 1984. YM Tunku also sits on the boards of Tamadam Bonded Warehouse Berhad, a company listed on Bursa Malaysia Securities Berhad, and several private limited companies.

YM Tunku does not have any family relationship with any Directors and/or major shareholders of the Company and has no conflict of interest with PWE and has no convictions for any offences within the last ten years.

Nicholas John Lough @ Sharif Lough, a British, aged 55. He was appointed to the Board of PWE on 9 December 1994 as an Independent Non-Executive Director. He is also a member of the Audit Committee. In 1969, he was admitted as a member of the National Association of Goldsmith London and has been a member of the Gemology Association, Great Britain since 1970. In 1985, Mr Sharif Lough joined the Melewar Group as the Group Executive Director and held the position for a period of 8 years. Thereafter he formed the Mediconsult Group of Companies focusing on the healthcare industry. Mr Sharif Lough also holds other directorships in several private limited companies and sits on the boards of Langkawi Yacht Club Berhad, M3nergy Berhad, Ranhill Berhad and Group and MAAKL Mutual Berhad.

Mr Sharif Lough does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with PWE and has no convictions for any offences within the last ten years.

Sunny Khoo, a Malaysian, aged 47. He was appointed to the Board of PWE on 29 March 1995 as a Non-Executive Director. He is also a member of the Audit Committee. Mr Khoo is a member of Malaysian Institute of Certified Public Accountants. For the period from 1981 to 1986, he was attached with Coopers & Lybrand as an Audit Trainee and did his articleship there. In 1987, he joined Ernst & Young as Audit Senior and subsequently resigned in 1990. Thereafter, he joined Arab Malaysian Corporation Berhad as the Group Accountant and held the position until 1992. He then joined Ekran Berhad on 16 November 1992 as Group Financial Controller and resigned in March 2005. Mr. Khoo was re-designated as a Non-Independent Director on 25 July 2007. He also holds other directorships in several private limited companies.

Mr. Sunny Khoo does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with PWE and has no convictions for any offences within the last ten years.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of PWE Industries Berhad ("PWE") and the Group for the financial year ended 31 March 2007.

FINANCIAL PERFORMANCE

For the financial year under review, the Group recorded a pre-tax loss of RM186,936 as compared to pre-tax loss of RM1,291,013 achieved during the previous financial year. The loss for the year was mainly attributable to administrative expenses.

No revenue was recorded this year due to the cessation of our core business activity in December 2001 with the disposal of the timber rights.

The company recorded a loss before taxation of RM174,237 as compared to a pre-tax loss of RM1,271,177 achieved during the previous financial year. The loss for the current financial year was mainly attributable to administrative expenses.

DIVIDEND

The Directors do not recommend any dividend to be declared for the financial year ended 31 March 2007.

REVIEW OF OPERATIONS

Presently, the Company is an affected listed issuer as defined under Practice Note 10/2001 of the Listing Requirements ("PN10") of Bursa Malaysia Securities Berhad ("Bursa Securities") as it has ceased its previous core business activities of timber extraction and timber trading. As an affected listed issuer under PN10, the Company is required to comply with certain obligations as prescribed under PN10, which include, inter-alia, the obligation to undertake a corporate proposal which will enable the Company to continue trading and/or listing on Bursa Securities.

CORPORATE DEVELOPMENTS

On 16 July 2003, the Company entered into four conditional agreements with Bintang Mover Bhd ("BMB") and the respective vendors of Bintang Bulk Movers Sdn Bhd ("BBMSB"), Agenda Wira Sdn Bhd, Jitu Transport Sdn Bhd and Panglima Klasik Sdn Bhd setting out the terms and conditions of the Proposed Corporate Restructuring Exercise of PWE as contained in the Requisite Announcement made by PWE to Bursa Securities on the same date and summarised in Note 17 to the audited financial statements for the year ended 31 March 2005 enclosed herein.

On 10 October 2003 and 20 January 2004, the Company announced certain revisions relating to the Proposed Corporate Restructuring of PWE. The applications in respect of the proposals and the revisions thereof were submitted to the Securities Commission ("SC") on 15 October 2003 and 18 February 2004 respectively.

On 24 February 2004, Bursa Securities approved the Company's application for an extension of time of two (2) months from 14 February 2004 to 14 April 2004 to obtain approvals of the relevant regulatory authorities, namely the SC and the Foreign Investment Committee for the Proposed Corporate Restructuring of PWE pursuant to paragraph 6.1(c) of PN10.

On 6 April 2004, the Company announced that in reply to the Company's application to Bursa Securities for further extension of time to obtain the relevant authorities' approval for the Proposed Corporate Restructuring of PWE, Bursa Securities had, vide its letter dated 5 April 2004, stated that given the fact the Company had submitted its regularisation plans to the relevant authorities, Bursa Securities will await the outcome of the Company's application to the relevant authorities.

On 24 June 2004, the SC had decided not to approve the Proposed Corporate Restructuring of PWE after taken into account certain issues which give rise to concerns to the SC on the suitability of BBMSB and its group of companies to be listed indirectly via BMB. On 23 July 2004, the Company submitted an application to the SC to appeal against the SC's decision not to approve the Proposed Corporate Restructuring of PWE.

CORPORATE DEVELOPMENTS (cont'd)

On 4 August 2004, the Company announced that Bursa Securities had, vide its letter dated 4 August 2004, stated that given the fact the Company had submitted its application to the SC to appeal against the SC's decision not to approve the Proposed Corporate Restructuring of PWE, Bursa Securities will await the outcome of the Company's appeal to the SC.

On 6 December 2004, the Appeal Application was approved by the SC subject to the terms and conditions as set out by the SC.

On 14 January 2005, the High Court of Sabah and Sarawak at Kuching ("Court") granted an order for the Company to convene a meeting ("Court Convened Meeting") with its shareholders for the purposes of considering and if thought fit, approving the Scheme of Arrangement to be made between the Company and its shareholders. At the Court Convened Meeting and Extraordinary General Meeting held on 10 May 2005, the shareholders duly passed and voted in favour of the Scheme of Arrangement.

On 11 April 2005, the Company, the promoters of BBMSB and myself came to an agreement for a proposed cash settlement of the Profit Shortfall of RM 6,978,359 by me. The Company had on 7 April 2005 received an undertaking letter from me to fully settle the Profit Shortfall in cash ("Proposed Cash Settlement"). With the Proposed Cash Settlement, there will not be a need to issue new warrants in BMB pursuant to the Proposed Settlement. The Proposed Cash Settlement and the abortion of the Proposed Settlement do not have any other effect on the Proposed Corporate Restructuring of the Company.

On 12 May 2005, I have written to the Company seeking for an extension of time up to the date of the implementation of the restructuring scheme of PWE and the successful listing of BMB to meet its obligations under the Proposed Cash Settlement.

On 20 June 2005, the Company received a bank guarantee in favour of the Company for the payment of up to RM6,978,359 in relation to the Proposed Cash Settlement, subject to the completion of the Proposed Restructuring Scheme and BMB being officially listed and quoted on the Second Board of BMSB. The bank guarantee is effective from 16 June 2005 and shall expire on 31 August 2005.

On 1 July 2005, the Court approved the petition in relation to the scheme of arrangement between the Company and its shareholders.

On 15 July 2005, Malaysian International Merchant Bankers Berhad on behalf of the Board of Directors of PWE announced that, PWE had, on 12 July 2005 extracted an order dated 1 July 2005 from the High Court ("Court Order") approving the petition in relation to the scheme of arrangement between the Company and its shareholders, pursuant to Section 176(1) of the Companies Act, 1965. Accordingly, the said Court Order will be lodged with the Companies Commission of Malaysia.

On 6 December 2005, Malaysian International Merchant Bankers Berhad on behalf of PWE announced that the Company had on 10 November 2005 submitted an application to the SC to seek an extension of six (6) months from the date of expiry of the SC's approval letter dated 1 December 2004 ("Approval Letter") (i.e. 1 December 2005) for PWE to complete the Proposed Corporate Restructuring, (i.e. on or before 1 June 2006) (Proposed Extension").

Further to the above, PWE had on 30 November 2005 submitted a separate application to the SC to seek for its approval for a variation of a condition stated in the Approval Letter in relation to Bintang Bulk Mover Sdn Bhd's property at Lot No. 1241, Mukim of Rawang, District of Gombak ("Proposed Variation") to be read from:-

"Bintang Mover Berhad is to provide an undertaking to use its best endeavour to obtain approvals for the land use conversion and the building plans together with the certificate of fitness for occupation within 12 months of SC's approval letter"

*Chairman's Statement (cont'd)***CORPORATE DEVELOPMENTS (cont'd)**

to:-

" Bintang Mover Berhad is to provide an undertaking to use its best endeavour to obtain approvals for the building plans together with the certificate of fitness for occupation within twenty four (24) months from the date of SC's first approval letter dated 1 December 2004"

The Proposed Extension and Proposed Variation are currently pending the approval from the SC.

On 26 January 2006, Malaysian International Merchant Bankers Berhad on behalf of PWE announced that on 26 January 2006, PWE, BMB and the vendors of BBMSB, AWSB, JTSB and PKSB (as defined in the previous announcements dated 16 July 2003 and 11 April 2005), have entered into four (4) separate Sixth Supplemental Agreements, which are supplemental to the conditional Sale and Purchase Agreements ("SPA") dated 16 July 2003 in relation to the Proposed Acquisitions and the five (5) earlier supplemental agreements relating thereto.

The parties in the four (4) separate Sixth Supplemental Agreements thereto have agreed that the period for the fulfillment of the conditions precedent under the respective SPAs relating to the Proposed Acquisitions shall be further extended to within 39 months from the date of the SPAs dated 16 July 2003 and shall expire on 16 October 2006.

On 20 October 2006, PWE, BMB and the vendors BBMSB, AWSB, JTSB and PKSB had entered into four (4) separate Seventh Supplemental Agreements, which are supplemental to the conditional Sale and Purchase Agreements ("SPA") dated 16 July 2003 in relation to the Proposed Acquisitions and the six (6) earlier supplemental agreements relating thereto. The parties to the four (4) separate Seventh Supplemental Agreements have agreed that the period for the fulfillment of the conditions precedent under the respective SPAs relating to the Proposed Acquisitions shall be further extended up until 1 December 2006 and shall expire thereafter.

On 12 January 2007, PWE, BMB and the vendors of BBMSB, AWSB, JTSB and PKSB have entered into four (4) separate Eighth Supplemental Agreements, which are supplemental to the conditional Sale and Purchase Agreements ("SPA") dated 16 July 2003 in relation to the Proposed Acquisitions and the seven (7) earlier supplemental agreements relating thereto.

The parties to the four (4) separate Eighth Supplemental Agreements have agreed that the period for the fulfillment of the conditions precedent under the respective SPAs relating to the Proposed Acquisitions shall be further extended up until 1 June 2007 and shall expire thereafter. Should the Company fails to proceed with the proposed corporate restructuring scheme, the Company will seek for other business opportunities.

PROSPECTS

Future operation of the Group is dependent upon completion of the Proposed Corporate Restructuring of PWE.

ACKNOWLEDGEMENTS

I take this opportunity to express my appreciation to my fellow Board members and advisers for their assistance and commitment in carrying out the Proposed Corporate Restructuring of PWE.

On behalf of the Board, I wish to thank the relevant authorities and shareholders of the Company for their understanding and support.

TAN SRI DATO' PADUKA (DR) TING PEK KHIING

Executive Chairman

6 September 2007

Report From The Audit Committee

MEMBERS

YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin
(Chairman - Independent Non-Executive Director)

Nicholas John Lough @ Sharif Lough Abdullah
(Independent Non-Executive Director)

Sunny Khoo
(Non-Independent Non-Executive Director)

TERMS OF REFERENCE

Composition

The Audit Committee shall consist of at least three (3) members to be appointed by the Board from amongst the Directors, comprising a majority of directors independent of management and executive functions.

At least one member of the Committee shall be a member of the Malaysian Institute of Accountants (MIA) or if he is not a member of MIA, he must have at least 3 years working experience, and either must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967.

The Chairman of the Audit Committee shall be elected from the among the Committee Members who is not an executive director or any employee of the Company or any related company.

Meetings

The Committee shall meet as many times as the Committee deems necessary and in any case, it should not be less than three (3) times a year.

The quorum for meetings of the Audit Committee shall be two (2) members who are independent non-executive Directors.

The Company Secretary shall be the Secretary to the Audit Committee.

The Committee may require the members of management, the internal auditor and representatives of the external auditors to attend any of its meetings as it determines.

Authority

The Audit Committee was appointed under Chapter 15, Part C, paragraph 15.10 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Committee is given the authority to investigate any activity of the Company and its subsidiaries and all employees shall be directed to cooperate as requested by members of the Committee.

Report From The Audit Committee (cont'd)**Duties and Responsibilities**

The Audit Committee shall assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and its subsidiaries and the sufficiency of auditing relating thereto.

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

- (i) To review the accounting policies adopted, any changes in accounting principles or practices and the level of prudence applied in areas requiring judgement.
- (ii) To review the external audit report on the financial statements.
- (iii) 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.
- (iv) To review the scope and results of the internal audit procedures.
- (v) To review the financial statements with management and the external auditors prior to them being approved by the full Board.
- (vi) To review interim financial information and press releases of financial content.
- (vii) To review any significant transactions which are not a normal part of the Company's business.
- (viii) To review any significant related party transactions that may arise within the Company or Group.
- (ix) To recommend to the Board of Directors the appointment or termination of the external auditors.
- (x) Such other responsibilities as may be agreed between the Audit Committee and the Board of Directors.

Attendance at Meetings

During the financial year ended 31 March 2007, the Audit Committee held a total of four (4) meetings. Details of attendance of the members of the Committee are as follows:-

Name of Committee Member	No. of Meetings Attended
YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin	4/4
Nicholas John Lough @ Sharif Lough Abdullah	4/4
Sunny Khoo	3/4

Activities

The following activities were performed by the Audit Committee during the financial year ended 31 March 2007:-

- (i) Reviewed the quarterly results and year end audited financial statements of the Company with the external auditors prior to the Board's approval of the accounts.
- (ii) Ensured compliance with approved accounting standards in the preparation of the financial statements.
- (iii) Ensured timely disclosure of the quarterly results and year end audited financial statements of the Company to Bursa Securities.
- (iv) Ensured that the transactions entered into by the Company and the Group are in compliance with requirements of Bursa Securities, Securities Commission and other regulatory bodies.

12 Corporate Governance Report

The Board of Directors is accountable to the Company's shareholders for good corporate governance. The Board is aware of the principles and best practices as set out in the Malaysian Code on Corporate Governance and have taken steps to progressively implement them to promote good corporate governance within the Group.

THE BOARD

Composition and Balance

The Board presently has four (4) members comprising an Executive Chairman, three (3) Non-Executive Directors, of whom two (2) are Independent and one (1) Non-Independent. A brief description of each director is presented in the Profile of Directors. Collectively, the Directors bring a balance of skills and experience appropriate to the business. The Executive Chairman, with the support of other members of the Board, has primary responsibilities for managing the Group's day to day operations. The Board also delegates certain of its responsibilities to the Audit Committee with clearly defined terms of reference.

Supply of Information and Board Meetings

In order to discharge their duties, the Directors are provided with the agenda and a full set of Board papers prior to each Board Meeting and are free to seek any further information they consider necessary.

During the financial year ended 31 March 2007, one (1) Board of Directors' Meeting was held and details of the Directors' attendance are as follows:-

Name of Directors	No. of Meetings Attended
Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	1/1
YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin	1/1
Nicholas John Lough @ Sharif Lough Abdullah	1/1
Sunny Khoo	1/1

All Directors have access to the advice of the Company Secretaries and independent advisers where necessary.

Appointments to the Board and Re-election

The appointment of any additional Director is made as and when it is deemed necessary by the existing Board with due consideration given to the mix of expertise and experience required for a balanced and effective Board. The Board itself functions as the Nominating Committee.

In accordance with Article 91 of the Articles of Association of the Company, at least one third of the Directors shall retire by rotation at each Annual General Meeting and are eligible to offer themselves for re-election at the Annual General Meeting. Directors who are appointed by the Board to fill a casual vacancy are subject to election by shareholders at the next Annual General Meeting following their appointment. All directors shall also retire from office once at least in each three years.

Director's Training

All the Directors of the Company have attended the Mandatory Accreditation Program organised by Bursatra Sdn. Bhd. as required by the Listing Requirements of Bursa Securities.

All the Directors will attend further training programs from time to time to keep abreast with the relevant changes and development in laws and regulations as well as the business development.

*Corporate Governance Report (cont'd)***DIRECTORS' REMUNERATION**

For the year under review, the aggregate of remuneration of Directors proposed/paid is as follows:-

	Directors' Fees (RM)	Other Emoluments (RM)
Executive Director	12,000	–
Non-Executive Directors	36,000	2,700
Total	48,000	2,700

Band of Categories	Executive Director	Non-Executive Director
Below RM50,000	1	3

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of keeping shareholders and investors informed of all major developments affecting the Company. The Company's annual reports contain comprehensive information pertaining to the Group, while various disclosures on quarterly and annual results provide the shareholders and investors with financial information.

The principal forum for dialogue with shareholders is the Annual General Meeting, during which the shareholders are given the opportunity to participate and pose questions to the Board regarding operational and financial information. Members of the Board and the external auditors are available to respond to shareholders' queries during the Annual General Meeting.

ACCOUNTABILITY AND AUDIT**Financial Reporting**

In preparing the annual financial statements and quarterly announcements to shareholders, the Directors are responsible in ensuring that the financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards to give a true and fair view of the state of affairs of the Group. Before releasing to Bursa Securities, the financial results were reviewed by the Audit Committee and approved by the Board of Directors.

Internal Control

The Board acknowledges its responsibility for the Group's system of internal control and the need to review its effectiveness regularly. In doing so, the Board has the right to seek information and clarification from the Management, seeks input from the Audit Committee, auditors and other experts at the expense of the Company.

In addition to that, the Board recognizes that risks cannot be eliminated completely, therefore, the system and process put in place would have to be aimed at minimizing and managing the risks.

Audit Committee has been empowered to assist the Board in fulfilling the above roles via functions laid down in its terms of reference.

Relationship with Auditors

The Company has established transparent and appropriate relationships with the Company's auditors through the Audit Committee. The external auditors, Ernst & Young has continued to report to the members of the Company their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. From time to time, the auditors highlight to the Audit Committee and the Board of Directors on matters that requires the Board's attention.

14 *Statement On Internal Control*

RESPONSIBILITY

The Board has overall responsibility for the Group's internal control and for reviewing its effectiveness whilst the role of the management is to implement the Board's policies on risk and control.

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

RISK MANAGEMENT FRAMEWORK

With the cessation of the Group's core business in 2001, the Board determined that it would defer the establishment of an organisational structure for risk management until such time as the Group had a new core business.

In the interim period, the Board extended the responsibilities of the Audit Committee to include the following scope of work, on its behalf:-

- (i) ensuring adequate internal controls were in place;
- (ii) undertaking the process of identifying, evaluating, monitoring and managing risk; and
- (iii) overseeing the care and custody of the Group's remaining assets after cessation of its core business.

The Audit Committee is currently responsible for the internal audit function which involves reviewing the internal controls in respect of the care and custody of the Group's remaining assets after cessation of its core business to ensure continuous improvement of controls and procedures.

External consultants and advisers along with key management staff further provided support to the Audit Committee in their review and deliberations in regard to regulatory compliance issues which are reported to the Board on an as and when required basis.

Upon the Group embarking on a new business, the Board will establish the requisite risk management structure to identify, evaluate, monitor and manage the risks of the new core business reporting to the Audit Committee.

Other Disclosures

NON AUDIT FEES

There was no non-audit fee paid by the Company and the Group to the external auditors for the financial year ended 31 March 2007.

DIRECTORS' RESPONSIBILITY STATEMENT

In preparing the annual financial statements of the Company and the Group for the financial year ended 31 March 2007, the Board of Directors is collectively responsible in ensuring that the annual financial statements are drawn up in accordance with the requirements of the applicable accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The Board is satisfied that the financial reporting of the Group presents a true and fair view of the current position and prospects of the Group.



PWE Industries Berhad
(Company No. 18904-M • Incorporated in Malaysia)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The existing Articles of Association of the Company are amended by the alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Articles are reproduced herewith the proposed amendments to the Articles of Association of the Company, in bold, alongside it:-

No.	Existing Articles	Proposed Articles																																				
2	<p>Interpretation</p> <p>In these Articles the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:-</p> <table><thead><tr><th>Words</th><th>Meanings</th></tr></thead><tbody><tr><td><u>"Approved Market Place" means a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption)(No. 2) Order 1998.</u></td><td></td></tr><tr><td><u>"Central Depository" means the Malaysian Central Depository Sdn. Bhd.</u></td><td></td></tr><tr><td><u>"Depositor" means a holder of securities account.</u></td><td></td></tr><tr><td><u>"Depositor Security" means a security standing to the credit of a securities account and includes securities in a securities account that is in suspense.</u></td><td></td></tr><tr><td><u>"Market Day" means any day between Mondays and Fridays which is not a market holiday or a public holiday.</u></td><td></td></tr><tr><td><u>"Member" means any person/persons for the time being holding shares in the Company and whose names appear in the Register of Members (except the Malaysian Central Depository Nominees Sdn. 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No.	Existing Articles	Proposed Articles
	"The Exchange" means <u>Kuala Lumpur Stock Exchange and/or any other Exchange on which the Company is listed.</u>	"The Exchange" means Bursa Malaysia Securities Berhad.

The term "Central Depository", wherever it appears in the Articles of Association, shall be replaced with the term **"Depository"**.

The term "Depository Security", wherever it appears in the Articles of Association, shall be replaced with the term **"Deposited Security"**.

The term "Kuala Lumpur Stock Exchange", wherever it appears in the Articles of Association, shall be replaced with the term **"Bursa Malaysia Securities Berhad"**.

The term "Malaysian Central Depository Nominees Sdn. Bhd.", wherever it appears in the Articles of Association, shall be replaced with the term **"Bursa Malaysia Depository Nominees Sdn. Bhd."**.

No.	Existing Articles	Proposed Articles
5 (a)	<u>No Director shall participate in any issue of shares to employees unless the shareholders in general meeting have approved of the specific allotments to be made to the Director and unless he holds office in an executive capacity.</u>	Every issue of shares or options to employees and/or Directors of the Company shall be approved by the Members in general meeting and such approval shall specifically detail the amount of shares or options to be issued to each Director.
9 (1)	<p>Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company liable, to be redeemed but <u>the total nominal value of preference shares issued shall not exceed the total nominal value of the issued ordinary shares at any time and</u> the Company shall not issue preference capital ranking in priority above preference shares already issued, but may issue preference capital ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited account, and attending meetings of the Company. Preference shareholders shall also have the right to vote in each of the following circumstances:-</p> <p>(a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;</p> <p>(b) on a proposal to reduce the Company's share capital;</p> <p>(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;</p> <p>(d) on a proposal that affects rights attached to the share;</p> <p>(e) on a proposal to wind up the Company; and</p> <p>(f) during the winding up of the Company.</p>	<p>Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company liable, to be redeemed but the Company shall not issue preference capital ranking in priority above preference shares already issued, but may issue preference capital ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited account, and attending meetings of the Company. Preference shareholders shall also have the right to vote in each of the following circumstances:-</p> <p>(a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;</p> <p>(b) on a proposal to reduce the Company's share capital;</p> <p>(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;</p> <p>(d) on a proposal that affects rights attached to the share;</p> <p>(e) on a proposal to wind up the Company; and</p> <p>(f) during the winding up of the Company.</p>

No.	Existing Articles	Proposed Articles
(2)	<u>The holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.</u>	Deleted.
27	Subject to the Rules and Listing Requirements, the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. <u>Twelve (12) clear market days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. At least three (3) market days prior notice shall be given to the Central Depository to prepare the appropriate Record of Depositors.</u>	Subject to the Rules and Listing Requirements, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year or such number of days as may be prescribed by the Exchange. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purposes thereof, which notice shall be in accordance with the requirements of the Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules to prepare the appropriate Record of Depositors.
36	<p>TRANSMISSION OF SECURITIES FROM FOREIGN REGISTER</p> <p>In the event that:-</p> <p>(a) the securities of the Company are listed on <u>an Approved Market Place</u>; and</p> <p>(b) the Company is exempted from compliance with section 14 of the Central Depositories Act or section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities.</p> <p>the Company shall, upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of the <u>Approved Market Place (herein this article referred to as "the Foreign Register")</u>, to the register of holders maintained by the Registrar of the Company in Malaysia (<u>herein this article referred to as "the Malaysian Register"</u>) <u>subject to the following conditions</u> provided that there shall be no change in ownership of such securities.</p>	<p>TRANSMISSION OF SECURITIES</p> <p>In the event that:-</p> <p>(a) the securities of the Company are listed on another stock exchange; and</p> <p>(b) the Company is exempted from compliance with section 14 of the Central Depositories Act or section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities.</p> <p>the Company shall, upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the Registrar of Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.</p>
37	<u>For the avoidance of doubt, the Company when fulfilling the requirements of Article 36 above shall not allow any transmission of securities from the Malaysian Register to the Foreign Register.</u>	Deleted.

No.	Existing Articles	Proposed Articles
58	The notices convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in <u>the daily press</u> and in writing to each stock exchange upon which the Company is listed.	The notices convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.
60	The Company shall request the <u>Central Depository</u> in accordance with the Rules, to issue a Record of Depositors as at <u>a date</u> not less than three (3) market days before the general meeting (hereinafter referred to as "the general meeting Record of Depositors").	The Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the general meeting (hereinafter referred to as "the general meeting Record of Depositors").
76	Subject to any rights or restrictions for the time being attached to any class of shares at meeting of Members or classes of Members and Article 59, Article 60 and Article 61 above, each Member shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the Company have been paid, and may vote in person or by proxy or by attorney or by duly authorised representative, and on a show of hands, every <u>person who is a Member or proxy or attorney or representative of a Member shall have one vote, and on a poll, every Member present in person or by proxy or attorney or representative shall have one vote for each share he holds.</u>	Subject to any rights or restrictions for the time being attached to any class of shares at meeting of Members or classes of Members and Article 59, Article 60 and Article 61 above, each Member shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the Company have been paid, and may vote in person or by proxy or by attorney or by duly authorised representative, and on a show of hands, every holder of ordinary shares or preference shares who is personally present who is a Member or a proxy being entitled to vote shall be entitled to one vote, and on a poll, every Member present in person or by proxy shall have one vote for such ordinary or preference share he holds.
89	<u>All the Directors of the Company shall be natural persons and</u> until otherwise determined by general meeting the number of Directors (disregarding alternate directors) shall not be less than two (2) nor more than nine (9) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum, the continuing Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company.	Until otherwise determined by general meeting the number of Directors (disregarding alternate directors) shall not be less than two (2) nor more than nine (9) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum, the continuing Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company.

No.	Existing Articles	Proposed Articles
106	<p>The office of a Director shall be vacated in any one of the following events, namely:-</p> <ul style="list-style-type: none"> (a) if he becomes prohibited from being a Director by reason of any order made under the Act; (b) if he ceases to be a Director by virtue of any of the provisions of the Act; (c) if he resigns by writing under his hand left at the Office; (d) if he becomes bankrupt or has a receiving order made against him or suspend payments or compound with his creditors generally, (e) if he be found lunatic or become of unsound mind; (f) <u>if he is absent from more than 50% of the total board of directors' meetings held during a financial year;</u> or (g) if he be removed by the Company in general meeting pursuant to these Articles. 	<p>The office of a Director shall be vacated in any one of the following events, namely:-</p> <ul style="list-style-type: none"> (a) if he becomes prohibited from being a Director by reason of any order made under the Act; (b) if he ceases to be a Director by virtue of any of the provisions of the Act; (c) if he resigns by writing under his hand left at the Office; (d) if he becomes bankrupt or has a receiving order made against him or suspend payments or compound with his creditors generally during his term of office; (e) if he be found lunatic or become of unsound mind during his term of office; (f) Deleted (g) if he be removed by the Company in general meeting pursuant to these Articles.
174	<p>Subject to the Act and to the prior written approval of the Exchange, the Company may by special resolution delete, alter or add to these Articles.</p>	<p>Deleted.</p>

Financial Statements

- 22. *Directors' Report*
- 25. *Statement by Directors*
- 25. *Statutory Declaration*
- 26. *Report of the Auditors*
- 27. *Income Statements*
- 28. *Balance Sheets*
- 29. *Statements of Changes in Equity*
- 30. *Cash Flow Statements*
- 31. *Notes to the Financial Statements*



PWE Industries Berhad
(Company No. 18904-M • Incorporated in Malaysia)

22 *Directors' Report*

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

As stated in Note 8 to the financial statements, one of the subsidiary had ceased operation in a prior year whereas the other subsidiary is dormant.

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

RESULTS

	Group RM	Company RM
Loss for the year attribute to equity holders of the Company	186,891	174,192

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Paduka (Dr) Ting Pek Khiing
 YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin
 Nicholas John Lough @ Sharif Lough Abdullah
 Sunny Khoo

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might 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 a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors shown in Note 4 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

*Directors' Report (cont'd)***DIRECTORS' INTERESTS**

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

	Number of Ordinary Share of RM1 each			At 31 March 2007
	At 1 April 2006	Bought	Sold	
The Company				
Indirect Interest				
Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	9,183,736	—	—	9,183,736

Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, by virtue of his interest in shares in the Company is also deemed interested in the shares in all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company in adequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (cont'd)

- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events are as disclosed in Note 14 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 July 2007.

TAN SRI DATO' PADUKA (DR) TING PEK KHIING

SUNNY KHOO

Kuala Lumpur
30 July 2007

Statement By Directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **Tan Sri Dato' Paduka (Dr) Ting Pek Khiing** and **Sunny Khoo**, being two of the directors of **PWE Industries Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 27 to 47 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 financial position of the Group and of the Company as at 31 March 2007 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 July 2007.

TAN SRI DATO' PADUKA (DR) TING PEK KHIING

SUNNY KHOO

Statutory Declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Sunny Khoo**, being the director primarily responsible for the financial management of **PWE Industries Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 27 to 47 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **Sunny Khoo** at
Kuala Lumpur in the Wilayah
Persekutuan on 30 July 2007.

SUNNY KHOO

Before me,

KARAM SINGH A/L SUDAGAR SINGH PMC
Commissioner for Oaths (W353)
Kuala Lumpur, Wilayah Persekutuan

26 *Report Of The Auditors To The Members Of* **PWE Industries Berhad** (Incorporated in Malaysia)

We have audited the financial statements set out on pages 27 to 47. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

- (a) the financial statements have been properly 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:
 - (i) the financial position of the Group and of the Company as at 31 March 2007 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under subsection (3) of Section 174 of the Act.

Without qualifying our opinion, we draw attention to Note 2.1 to the financial statements. Presently, the Group has no business operation. As disclosed in Note 14 to the financial statements, the Company's proposed corporate restructuring scheme are currently pending the approval from the relevant authorities. However, the conditional Sales and Purchase Agreements (SPAs) with the respective parties in relation to the proposal expired on 1 June 2007. As of to-date, the agreement to further extend the respective SPAs has not been executed. The Company is still in the process of negotiating with the respective parties to further extend the SPAs. Should the Company fails to proceed with the proposed corporate restructuring scheme, the Company will seek for other business opportunities. The ability of the Group and the Company to continue as going concerns is dependent on the successful completion and implementation of the proposed corporate restructuring scheme or obtaining other business opportunities. The financial statements of the Group and of the Company do not include any adjustments relating to the recoverability and classification of assets or the amounts and classifications of liabilities that might be necessary should the Group and the Company be unable to continue as going concerns.

ERNST & YOUNG
AF: 0039
Chartered Accountants

Kuching, Malaysia
30 July 2007

CHIN MUI KHIONG PETER
No. 1881/03/08 (J)
Partner

Income Statements

For The Year Ended 31 March 2007

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
Revenue		–	–	–	–
Other operating expenses		(186,936)	(1,291,013)	(174,237)	(1,271,177)
Loss before tax	3	(186,936)	(1,291,013)	(174,237)	(1,271,177)
Income tax expense	5	45	–	45	–
Loss for the year		(186,891)	(1,291,013)	(174,192)	(1,271,177)
Loss per share (sen)	6	(0.4)	(3.1)		

The accompanying notes form an integral part of the financial statements.

Balance Sheets

As At 31 March 2007

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
ASSETS					
Non-Current Assets					
Office equipment and furniture	7	–	1,851	–	–
Investment in subsidiaries	8	–	–	2	2
		–	1,851	2	2
Current Assets					
Trade receivables	9	2,496,453	2,496,453	–	–
Other receivables	10	6,741,037	6,941,465	5,787,547	5,980,052
Cash and bank balances		7,334	8,100	5,421	5,591
		9,244,824	9,446,018	5,792,968	5,985,643
TOTAL ASSETS		9,244,824	9,447,869	5,792,970	5,985,645
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	11	42,000,000	42,000,000	42,000,000	42,000,000
Accumulated losses		(34,149,316)	(33,962,425)	(37,424,697)	(37,250,505)
		7,850,684	8,037,575	4,575,303	4,749,495
CURRENT LIABILITIES					
Trade payables	12	148,416	148,416	–	–
Other payables	13	1,245,724	1,261,878	1,217,667	1,236,150
		1,394,140	1,410,294	1,217,667	1,236,150
TOTAL EQUITY AND LIABILITIES		9,244,824	9,447,869	5,792,970	5,985,645

The accompanying notes form an integral part of the financial statements.

Statements Of Changes In Equity

For The Year Ended 31 March 2007

GROUP

	Share capital RM	Accumulated losses RM	Total RM
At 1 April 2005	42,000,000	(32,671,412)	9,328,588
Loss for the year	–	(1,291,013)	(1,291,013)
At 31 March 2006	42,000,000	(33,962,425)	8,037,575
Loss for the year	–	(186,891)	(186,891)
At 31 March 2007	42,000,000	(34,149,316)	7,850,684

COMPANY

	Share capital RM	Accumulated losses RM	Total RM
At 1 April 2005	42,000,000	(35,979,328)	6,020,672
Loss for the year	–	(1,271,177)	(1,271,177)
At 31 March 2006	42,000,000	(37,250,505)	4,749,495
Loss for the year	–	(174,192)	(174,192)
At 31 March 2007	42,000,000	(37,424,697)	4,575,303

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements

For The Year Ended 31 March 2007

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
CASH FLOW FROM OPERATING ACTIVITIES				
Loss before tax	(186,936)	(1,291,013)	(174,237)	(1,271,177)
Adjustment for:				
Depreciation	1,851	8,764	–	–
Bad debts written off	4	–	4	–
Operating loss before working capital changes	(185,081)	(1,282,249)	(174,233)	(1,271,177)
Decrease in receivables	200,469	293,469	192,546	265,979
Increase in payables	(16,154)	986,049	(18,483)	1,002,698
NET DECREASE IN CASH AND CASH EQUIVALENT	(766)	(2,731)	(170)	(2,500)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,100	10,831	5,591	8,091
CASH AND CASH EQUIVALENTS AT END OF YEAR	7,334	8,100	5,421	5,591

The accompanying notes form an integral part of the financial statements.

Notes To The Financial Statements

– 31 March 2007

1. CORPORATE INFORMATION

The principal activity of the Company is that of investment holding. As stated in Note 8, one of the subsidiary had ceased operation in a prior year whereas the other subsidiary is dormant. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Second Board of the Bursa Malaysia Securities. The registered office of the Company is located at Lot 5428-5429, Block 16, KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 July 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2006 as described fully in Note 2.3.

The financial statements of the Group and of the Company have been prepared using the going concern assumption on a historical cost basis in anticipation of the successful completion and implementation of the proposed corporate restructuring exercise as disclosed in Note 14 or alternatively obtaining other business opportunities should it fails to proceed with the proposed corporate restructuring scheme.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**2.2 Summary of Significant Accounting Policies (cont'd)****(a) Subsidiaries and Basis of Consolidation (cont'd)****(ii) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

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. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition 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 acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Intangible Asset**Goodwill**

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

*Notes To The Financial Statements (cont'd)***2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.2 Summary of Significant Accounting Policies (cont'd)****(c) Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

Depreciation of property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over its estimated useful life, at the annual rates ranging from 10% to 33%.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected 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.

(d) Impairment of Non-financial Assets

The carrying amounts of assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**2.2 Summary of Significant Accounting Policies (cont'd)****(d) Impairment of Non-financial Assets (cont'd)**

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows 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 considered impaired and is written down to its recoverable amount. 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 groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

(e) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks and deposit at call and short term highly liquid investments which have an insignificant risk of changes in value.

(ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on review of all outstanding amounts as at the balance sheet date.

*Notes To The Financial Statements (cont'd)***2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.2 Summary of Significant Accounting Policies (cont'd)****(e) Financial Instruments****(iii) Payables**

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Equity Instruments

Ordinary shares are classified as equity. Dividend on ordinary shares are recognised in equity in the period in which they are declared.

(f) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if 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 profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**2.2 Summary of Significant Accounting Policies (cont'd)****(g) Employee Benefits****(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees 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. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs

On 1 April 2006, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the above standards does not result in significant changes in accounting policies of the Group and of the Company.

Notes To The Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the Group and the Company has not adopted the following FRSs, amendments to FRSs and Interpretations which have effective dates as follows:

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 117: Leases	1 October 2006
FRS 124: Related Party Transactions	1 October 2006
FRS 6: Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119 ₂₀₀₄ : Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net investments in a Foreign Operations	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007
FRS 139: Financial Instruments - Recognition and Measurement	Effective date deferred

FRS 6, Amendment to FRS 121, FRS 119₂₀₀₄, IC Interpretations 1, 2, 5, 6, 7 and 8 are not relevant to the Group's operation. The Group is exempted from disclosing the potential impact, if any to financial statements upon the initial application of FRS 117, FRS 124 and FRS 139.

3. LOSS BEFORE TAX

The following amounts have been included in arriving at loss before tax:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Non-executive directors' remuneration (Note 4)	50,700	40,500	50,700	40,500
Auditors' remuneration				
- Statutory audits	22,000	22,000	18,000	18,000
- Reporting accountants	22,100	240,500	22,100	240,500
Depreciation (Note 7)	1,851	8,764	-	-
Interest expenses	-	753	-	753
Bad debt written off	4	-	4	-

4. DIRECTORS' REMUNERATION

	Group and Company 2007 RM	2006 RM
Directors of the Company		
Executive - Fees	12,000	–
Non-Executive - Fees	36,000	36,000
- Other emoluments	2,700	4,500
	38,700	40,500
Total (Note 3)	50,700	40,500

The number of directors of the Company whose total remuneration during the financial year fall within the following band is as follows:

	Number of Directors 2007	2006
Executive directors - below RM50,000	1	–
Non-Executive directors - below RM50,000	3	3
	4	3

5. TAXATION

	Group 2007 RM	2006 RM	Company 2007 RM	2006 RM
Income tax:				
Current year provision	–	–	–	–
Overprovision in prior years	(45)	–	(45)	–
	(45)	–	(45)	–

Income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. During the financial year, the statutory tax rate was reduced from 28% in 2006 to 27% in 2007. The statutory tax rate will be reduced to 26% effective year of assessemnt 2008. These changes to the statutory tax rates do not have significant effect on the computation of deferred tax as at 31 March 2007.

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

	2007 RM	2006 RM
Group		
Loss before taxation	(186,891)	(1,291,013)
Tax expense at statutory rate of 27% (2006: 28%)	(50,461)	(361,484)
Effects of expenses not deductible for tax purposes	50,461	361,484
Overprovision of tax expense in prior years	(45)	–
Income tax expense	(45)	–

Notes To The Financial Statements (cont'd)

5. TAXATION (cont'd)

	2007 RM	2006 RM
Company		
Loss before taxation	(174,237)	(1,271,177)
Tax expense at statutory rate of 27% (2006: 28%)	(47,044)	(355,930)
Effects of expenses not deductible for tax purposes	47,044	355,930
Overprovision of tax expense in prior years	(45)	–
Income tax expense	(45)	–

6. LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2007	Group 2006
Net loss for the year (RM)	(186,891)	(1,291,013)
Weighted average number of ordinary shares in issue	42,000,000	42,000,000
Basic loss per share (sen)	(0.4)	(3.1)

Dilutive earnings per share has not been presented as there are no potential ordinary shares outstanding as at balance sheet date.

7. OFFICE EQUIPMENT AND FURNITURE

	RM
Group	
At 31 March 2007	
Cost	
At 1 April 2006/31 March 2007	117,841
Accumulated Depreciation	
At 1 April 2006	115,990
Depreciation charge for the year (Note 3)	1,851
At 31 March 2007	117,841
Net Carrying Amount	
At 31 March 2007	–

Notes To The Financial Statements (cont'd)

7. OFFICE EQUIPMENT AND FURNITURE (cont'd)

Group	RM
At 31 March 2006	
Cost	
At 1 April 2005/31 March 2006	117,841
Accumulated Depreciation	
At 1 April 2005	107,226
Depreciation charge for the year (Note 3)	8,764
At 31 March 2006	115,990
Net Carrying Amount	1,851

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2007 RM	2006 RM
Unquoted shares, at cost	9,000,002	9,000,002
Less: Accumulated impairment loss	(9,000,000)	(9,000,000)
	2	2

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		2007	2006	
Sastep Sdn. Bhd.	Malaysia	100	100	Timber trading but ceased operation in a prior year
PWE Logging Sdn. Bhd.	Malaysia	100	100	Dormant

9. TRADE RECEIVABLES

	Group	
	2007 RM	2006 RM
Trade receivables	14,355,710	14,355,710
Less: Provision for doubtful debts	(11,859,257)	(11,859,257)
	2,496,453	2,496,453

Notes To The Financial Statements (cont'd)

9. TRADE RECEIVABLES (cont'd)

Included in trade receivables is an amount of RM14,171,774 (2006: RM14,171,774) due from Equatorial Timber Marketing Sdn. Bhd., Ekran Timber and Sawmill Sdn. Bhd., Ekran Logging Sdn. Bhd., Ekran Project Management Sdn. Bhd., Ekran Plantation Sdn. Bhd. and Sarawak Pulp Industries Sdn. Bhd., companies in which a director of the Company, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, has substantial financial interests in respect of which provision for doubtful debts amounting to RM11,675,620 (2006: RM11,675,620) has been made.

No provision for doubtful debts has been made for the above remaining balances as the directors are confident of the recovery upon completion of Ekran Berhad's corporate exercise, which is dependent on the revised proposed settlement by Tan Sri Dato' Paduka (Dr) Ting Pek Khiing to Ekran Berhad.

The Group's normal trade credit term ranges from 90 to 120 days (2006: 90 to 120 days). Other credit terms are assessed and approved on a case by case basis.

As at balance sheet date, the Group has a significant concentration of credit risk in the form of balances due from a group of debtors related to a director of the Company, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, representing approximately 99% (2006: 99%) of the total trade receivables.

10. OTHER RECEIVABLES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Due from subsidiaries	–	–	2,146,433	2,146,434
Director related companies				
- Ekran Berhad	6,731,323	6,931,792	5,781,657	5,974,203
- Others	–	36,157	–	36,157
Sundry receivables	3,824	3,824	–	–
Tax recoverable	5,890	5,845	5,890	5,845
	6,741,037	6,977,618	7,933,980	8,162,639
Provision for doubtful debts	–	(36,153)	(2,146,433)	(2,182,587)
	6,741,037	6,941,465	5,787,547	5,980,052

Director related companies refer to companies in which a director, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, has substantial financial interests. In the financial year 2003, an advance of RM7.43 million was given to Ekran Berhad. The directors are of the opinion that even though the advance given to Ekran Berhad contravenes Section 133A of the Companies Act, 1965, under the circumstances, the advance was necessary to address the short term needs of Ekran Berhad. No provision for doubtful debts has been made for the advance given to Ekran Berhad as the directors are confident of the recovery upon completion of Ekran Berhad's corporate exercise, of which the status is disclosed in Note 9. The amount due from Ekran Berhad is unsecured, bears nil interest (2006: Nil) and has no fixed term of repayment.

10. OTHER RECEIVABLES (cont'd)

The Company waived the interest charge of 3.5% per annum on the outstanding amount of RM6,731,323 due from Ekran Berhad in consideration for a waiver of the annual charge of RM250,000 by Ekran Berhad on the Company in respect of reimbursement of expenses incurred by Ekran Berhad on behalf of the Company relating to staff cost for accounting, corporate finance, secretarial and administrative works, use of office as registered and correspondence address as well as printing and stationery cost with effect from 1 April 2004.

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

As at balance sheet date, the Group has a significant concentration of credit risk that may arise from exposure to a single debtor representing approximately 99% (2006: 99%) of the total other receivables.

11. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2007	2006	2007 RM	2006 RM
Authorised:	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:	42,000,000	42,000,000	42,000,000	42,000,000

12. TRADE PAYABLES

The normal trade credit terms granted to the Group ranges from 60 to 90 (2006: 60 to 90) days.

13. OTHER PAYABLES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Due to companies in which a director has substantial financial interests	10,353	10,353	—	—
Other payables	1,164,561	1,180,495	1,151,667	1,169,120
Accruals	70,810	71,030	66,000	67,030
	1,245,724	1,261,878	1,217,667	1,236,150

Included in other payables is an amount of RM10,353 (2006: RM10,353) due to Germila Sdn Bhd, Equatorial Timber Marketing Sdn Bhd and Bakun Resorts Sdn Bhd, companies in which a director, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, has substantial financial interests; which is unsecured, interest free and has no fixed term of repayment.

*Notes To The Financial Statements (cont'd)***14. SIGNIFICANT AND SUBSEQUENT EVENTS**

Following the disposal of its timber rights in 2001 and the absence of other revenue generating activities, the Company became classified as an affected listed issuer pursuant to Paragraph 2.1 of Practice Note 10 ("PN 10") of the Bursa Malaysia Securities Berhad ("BMSB").

On 4 July 2003, BMSB approved an extension of three months to 19 September 2003 for the Company to make the Requisite Announcement under paragraph 6.1(a) of PN10, following an earlier aborted proposal.

On 16 July 2003, the Company had entered into four separate conditional agreements with Bintang Mover Bhd. ("BMB") and the respective vendors of Bintang Bulk Movers Sdn. Bhd. ("BBMSB"), Agenda Wira Sdn. Bhd. ("AWSB"), Jitu Transport Sdn. Bhd. ("JTSB") and Panglima Klasik Sdn. Bhd. ("PKSB") (BBMSB, AWSB, JTSB and PKSB shall hereinafter collectively be referred to as the "Acquiree Companies") setting out the definitive terms and conditions of the proposed corporate restructuring exercise of PWE ("Proposals") summarised as follows:

- (i) proposed share exchange of 42,000,000 ordinary shares of RM1.00 each in PWE held by the existing shareholders of PWE with 19,764,000 new ordinary shares of RM0.50 each in BMB on the basis of approximately forty seven (47) new BMB Shares for every one hundred (100) PWE Shares held at a date to be determined later by the Board of Directors of PWE, pursuant to a scheme of arrangement between PWE, BMB and the existing shareholders of PWE under Section 176(1) of the Act ("Proposed Share Exchange");
- (ii) proposed settlement and compromise of the shortfall in the profit guaranteed by and receivable from Equatorial Timber Marketing Sdn. Bhd. ("ETM"), a company in which Tan Sri Dato' (Dr) Ting Pek Khiing ("TPK"), a Director and substantial shareholder of PWE has interest and directorship, amounting to RM6,978,359 ("Profit Shortfall") pursuant to the Profit Guarantee Agreement dated 26 March 1997 executed between ETM and PWE, by way of issuance of 34,563,536 warrants in BMB to the shareholders of BMB after the Proposed Share Exchange (excluding TPK, his nominees and the two subscriber shareholders of BMB) on the basis of four (4) Warrants for every one (1) BMB Share held after the Proposed Share Exchange ("Proposed Settlement");
- (iii) proposed acquisitions by BMB of:
 - (a) 1,000,000 BBMSB ordinary shares representing 100% equity interest in BBMSB;
 - (b) 120,000 AWSB ordinary shares representing 30% equity interest in AWSB;
 - (c) 150,000 JTSB ordinary shares representing approximately 3.69% equity interest in JTSB;
 - (d) 500,000 PKSB ordinary shares representing approximately 45.98% equity interest in PKSB;

from the respective vendors of the Acquiree Companies for an aggregate purchase consideration of RM100.0 million to be satisfied by way of issuance of:

- (aa) 114,000,000 new ordinary shares of RM0.50 each in BMB at an issue price of RM0.50 per BMB Share;
- (bb) 64,000,000 new Irredeemable Convertible Preference Shares of RM0.10 each ("ICPS") at the issue price of RM0.50 per ICPS; and

14. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd)

- (cc) RM11,000,000 nominal value of Redeemable Convertible Unsecured Loan Stocks ("RCULS") at 100% of the nominal value of the RCULS.

(hereinafter referred to as the "Proposed Acquisitions")

- (iv) proposed exemption to the vendors of the Acquiree Companies from the obligation to undertake a mandatory offer to acquire the remaining BMB Shares not already held by them pursuant to Part II of the Malaysian Code on Take-overs and Mergers, 1998 consequent to the Proposed Acquisitions (if required);
- (v) proposed private placement of up to 20,000,000 BMB Shares (or such number of BMB Shares required to be placed out for purposes of meeting the public shareholding spread requirement subject to the listing requirements of the BMSB and the requirement of the National Development Policy) by the substantial shareholders of BMB after the Proposed Share Exchange and Proposed Acquisitions at a placement price(s) to be determined later to persons as prescribed under Schedule II of the Securities Commission Act, 1993; and
- (vi) proposed transfer of the listing status of PWE on the Second Board of BMSB to BMB, by way of delisting of PWE and the listing of BMB on the Second Board of BMSB.

The primary objective of the Proposals is to enable PWE to fulfill its obligations under PN10 such that the level of operations of the BMB and its proposed subsidiary companies ("BMB Group") are adequate to enable BMB to assume the listing status of PWE and be listed on the Second Board of the BMSB after the completion of the Proposals.

On 2 October 2003, BMSB approved the extension of time of 1 month from 16 September 2003 to 15 October 2003 for the Company to comply with paragraph 6.1 (b) of Practice Note 10/2001 and submit the application in respect of the Proposals of PWE to the Securities Commission ("SC") and the other relevant authorities.

On 15 October 2003 and 18 February 2004 respectively, the Company submitted certain revisions to the Proposals to the SC.

On 24 June 2004, SC rejected the Proposals. The Company submitted an appeal on 22 July 2004 to the SC to reconsider its decision ("Appeal Application").

On 8 July 2004, the Company sought the approval of BMSB for a further extension of time to await for the outcome of the Company's Appeal Application. The extension of time was imperative for the Company to implement the Proposals in order to maintain its listing status. The successful implementation of the Proposals would also enable the shareholders of the Company to participate in the future prospects of the BMB Group.

On 6 December 2004, the Appeal Application was approved by the SC subject to the terms and conditions as set out by the SC.

On 14 January 2005, the High Court of Sabah and Sarawak at Kuching ("Court") granted an order for the Company to convene a meeting ("Court Convened Meeting") with its shareholders for the purposes of considering and if thought fit, approving the Scheme of Arrangement to be made between the Company and its shareholders. At an EGM held on 10 May 2005, the shareholders duly passed and voted in favour of the Scheme of Arrangement.

*Notes To The Financial Statements (cont'd)***14. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd)**

On 11 April 2005, the Company, the promoters of BBMSB and TPK came to an agreement for a proposed cash settlement of the Profit Shortfall of RM6,978,359 by TPK. The Company had on 7 April 2005 received an undertaking letter from TPK to fully settle the Profit Shortfall in cash ("Proposed Cash Settlement"). With the Proposed Cash Settlement, there will not be a need to issue new warrants in BMB pursuant to the Proposed Settlement. The Proposed Cash Settlement and the abortion of the Proposed Settlement does not have any other effect on the Proposed Corporate Restructuring of the Company.

On 12 May 2005, TPK wrote to the Company seeking for an extension of time up to the date of the implementation of the restructuring scheme of PWE and the successful listing of BMB to meet its obligations under the Proposed Cash Settlement.

On 20 June 2005, the Company received a bank guarantee in favour of the Company for the payment of up to RM6,978,359 in relation to the Proposed Cash Settlement, subject to the completion of the Proposed Restructuring Scheme and BMB being officially listed and quoted on the Second Board of BMSB. The bank guarantee is effective from 16 June 2005 and shall expire on 31 August 2005. On 6 September 2005, PWE announced that the expiry date of the above-said bank guarantee has been extended to 30 November 2005.

On 1 July 2005, the Court approved the petition in relation to the scheme of arrangement between the Company and its shareholders.

On 10 November 2005, the Company had submitted an application to the SC to seek an extension of six months from the date of expiry of the SC's approval letter dated 1 December 2004 for the Company to complete the Proposed Corporate Restructuring ("Proposed Extension").

On 30 November 2005, the Company had submitted a separate application to the SC to seek for its approval for a variation of a condition stated in the Approval Letter in relation to BBMSB's property ("Proposed Variation").

The proposed extension and proposed variations are currently pending the approval from SC.

On 26 January 2006, 20 October 2006 and 12 January 2007, the Company, BMB and the vendors of the acquiree companies have entered into four (4) separate, Sixth, Seventh and Eighth Supplemental Agreements respectively, which are supplementary to the conditional Sale and Purchase Agreements ("SPA") dated 16 July 2003 in relation to the Proposals. The parties in the Supplemental Agreements have agreed to extend a further 48 months from 16 July 2003 for the fulfillment of the conditions precedent under the respective SPAs and it shall expire on 1 June 2007.

As of to-date, the supplemental agreement to further extend the respective SPAs since its expiry on 1 June 2007 has not been executed. The Company is still in the process of negotiating with the respective parties to further extend the SPAs. Should the Company fails to proceed with the corporate restructuring scheme, the Company will seek for other business opportunities in order to regularise its status as required under PN10 of BMSB's requirements.

15. CONTINGENT ASSET

	Group	
	2007 RM	2006 RM
Shortfall in profit guarantee receivable from the vendor of timber rights	6,978,359	6,978,359

15. CONTINGENT ASSET (cont'd)

The contingent asset is in respect of the shortfall in profit guarantee for the financial year ended 31 March 1999. The shortfall is receivable from Equatorial Timber Marketing Sdn. Bhd., the vendor of the timber rights, a company in which a director, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, has substantial financial interests. The proposed settlement and compromise of the shortfall in the profit guarantee are disclosed in Note 14.

16. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

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

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing assets. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits.

The information on maturity dates and effective interest rates of financial assets are disclosed in the respective notes.

(c) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

(d) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade and other receivables are monitored on an ongoing basis via management reporting procedures.

As at balance sheet date, the Group has a significant concentration of credit risk in the form of outstanding balances due from a group of debtors relating to a director of the Company, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing representing approximately 99% and 99% of the trade and other receivables respectively.

(e) Fair Values

The carrying amounts of cash and cash equivalents, trade and other receivables/payables approximate their fair values due to the relatively short term maturity of these financial instruments. It is not practical to estimate the fair value of contingent asset reliably due to the uncertainties of timing, costs and eventual outcome.

Notes To The Financial Statements (cont'd)

19. SEGMENTAL INFORMATION

	Timber extraction and timber trading		Investment holding		Elimination		Consolidated	
	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM
Revenue								
External sales	-	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	-	-
Result								
Loss before tax	(12,699)	(19,836)	(174,192)	(1,271,177)			(186,891)	(1,291,013)
Taxation							-	-
Net loss for the year							(186,891)	(1,291,013)
ASSETS AND LIABILITIES								
Segment assets	3,451,856	3,456,381	5,787,078	5,985,643			9,238,934	9,442,024
Unallocated corporate assets							5,890	5,845
Total assets							9,244,824	9,447,869
Segment liabilities	176,473	174,144	1,217,667	1,236,150			1,394,140	1,410,294
OTHER INFORMATION								
Depreciation	1,851	8,764	-	-			1,851	8,764

No segmental analysis on a geographical basis is provided as the Group's activities were wholly carried out in Malaysia.

48 *List Of Properties*

Location	Tenure	Year Lease Expiring	Land Area	Existing Use	Net Book Value as at 31.3.2007 (RM)
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NIL

Analysis Of Shareholders

As At 15 August 2007

Authorised Capital	: RM500,000,000
Issued and paid-Up Capital	: RM42,000,000
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Rights	: One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	No. of Shares	%
Less than 100	9	301	0.00
100 to 1,000	1,497	1,418,996	3.37
1,001 to 10,000	2,315	10,309,667	24.55
10,001 to 100,000	452	13,505,236	32.16
100,001 to <5% of issued	33	9,965,800	23.73
5% and above of issued shares	2	6,800,000	16.19
Total	4,308	42,000,000	100.00

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Names	Number of Shares	%
1.	CIMB Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Tan Sri Dato' Paduka (Dr) Ting Pek Khiing)</i>	4,000,000	9.52
2.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>(Alliance Merchant Nominees (Tempatan) Sdn. Bhd. for Tan Sri Dato' Paduka (Dr) Ting Pek Khiing)</i>	2,800,000	6.67
3.	CIMB Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Tan Sri Dato' Paduka (Dr) Ting Pek Khiing)</i>	1,680,000	4.00
4.	Law Sie Ning	1,069,900	2.55
5.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Tan Ah Khoon (Margin))</i>	482,000	1.15
6.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>(Aspek Elit Sdn. Bhd.)</i>	475,000	1.13
7.	Cheah Wee Hai	456,000	1.09
8.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Ting Wee Hua)</i>	437,000	1.04
9.	Low Ah Kou	350,000	0.83
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Ting Pin Sew)</i>	318,000	0.76
11.	Toh Hong Cheng	300,000	0.71
12.	A. A. Anthony Nominees (Tempatan) Sdn. Bhd. <i>(Multi-Purpose Credit Sdn. Bhd. for Ting Pek Khiing)</i>	295,000	0.70
13.	RHB Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Ng Yik Choon)</i>	286,800	0.68
14.	Mayban Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Jacqueline Kho Poh Tze)</i>	271,400	0.65
15.	Su Meu Ging	263,900	0.63
16.	Mayban Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Der Chin Tong)</i>	253,100	0.60

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (cont'd)

No.	Names	Number of Shares	%
17.	Public Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Ting Lian Siew @ Ting Lian Bo (E-CST))</i>	240,400	0.57
18.	Lim Choon Siew	237,800	0.57
19.	Hashim Bin Sibelik	204,000	0.49
20.	Tan Ah Khoon	200,000	0.48
21.	Lai Miao Fong	190,000	0.45
22.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Tan Kwee Bee)</i>	174,000	0.41
23.	Public Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Low Ah Kou (E-SPI))</i>	161,000	0.38
24.	RC Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Peter Ling Ee Kong)</i>	161,000	0.38
25.	Affin Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Esa Bin Mohamed)</i>	159,500	0.38
26.	OSK Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Lian Shee Sang)</i>	150,000	0.36
27.	Low Yoke Choo	143,000	0.34
28.	Yew Kok Soo	140,000	0.33
29.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>(CIMB for Jacqueline Ngu Hia Kee (PB))</i>	139,100	0.33
30.	RHB Nominees (Tempatan) Sdn. Bhd. <i>(Pledged securities account for Lian Shee Sang)</i>	130,000	0.31
		16,167,900	38.49

SUBSTANTIAL SHAREHOLDERS

(based on the Register of Depositors as at 15 August 2007)

Name	No. of Shares	Direct % of Issued Capital	No. of Shares	Indirect % of Issued Capital
Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	8,883,736	21.15	—	—

DIRECTORS' INTEREST

Name	No. of Shares	Direct % of Issued Capital	No. of Shares	Indirect % of Issued Capital
Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	8,883,736	21.15	—	—
YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin	—	—	—	—
Nicholas John Lough @ Sharif Lough Abdullah	—	—	—	—
Sunny Khoo	—	—	—	—



PWE Industries Berhad
(Company No. 18904-M • Incorporated in Malaysia)

Form Of Proxy

Number of Shares Held

CDS Account No.

I/We _____ of _____

being a member/members of **PWE INDUSTRIES BERHAD** hereby appoint _____ of

_____ or failing him/her _____ of

_____ or the Chairman of the Meeting as my/our proxy to vote and act for me/us on my/our behalf at the **Thirty-Third Annual General Meeting** of the Company to be held at Lot 5428-5429, Block 16, KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak on Friday, 28 September 2007 at 11:00 a.m. and at any adjournment thereof.

My/our Proxy is to vote as indicated below:

Resolution	For	Against
1. To receive and adopt the Audited Financial Statements and Reports.		
2. To approve the payment of Directors' fees.		
3. To re-appoint YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin as Director.		
4. To re-elect Tan Sri Dato' Paduka (Dr) Ting Pek Khiing as Director.		
5. To re-appoint Messrs Ernst & Young as Auditors of the Company.		
6. To authorise Directors to allot and issue shares.		
7. Proposed Amendments to Articles of Association.		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion.)

Dated this _____ day of _____ 2007

Signature

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member of the Company is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The Form of Proxy, in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. The Form of Proxy must be deposited at the Registered Office of the Company at Lot 5428-5429, Block 16 KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak no later than forty-eight (48) hours before the time appointed for the meeting or any adjournment thereof.

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AFFIX
STAMP

PWE Industries Berhad (Company No. 18904-M)

Lot 5428-5429, Block 16, KCLD
Lorong Lapangan Terbang Baru 1
93350 Kuching, Sarawak

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