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Corporate Information

BOARD OF DIRECTOR

Tan Sri Sabbaruddin Chik
(Chairman)

Lim Nyuk Foh
(Managing Director)

Chok Syn Vun
(Executive Director)

Ramlee Bin Mohd Shariff
(Non-Executive Director)

Kwan Tack Chiong
(Independent Non-Executive Director)

Ooi Jit Huat
(Independent Non-Executive Director)

AUDIT COMMITTEE

Kwan Tack Chiong
(Chairman)

Chok Syn Vun
(Member)

Ooi Jit Huat
(Member)

COMPANY SECRETARY

Yuen Wai Seng (MIA 1937)

REGISTERED OFFICE / HEAD OFFICE

1st Floor, Lot 5, Block No. 4, Bandar Indah, Mile 4
Jalan Utara, P.O. Box 2848, 90732 Sandakan, Sabah
Tel : 089 221170/223767/221211
Fax : 089 221213/227823
Email : pricwor@tm.net.my/maxland@tm.net.my
Website : www.borneo-online.com.my/priceworth

REGISTRAR

Symphony Share Registration Services Sdn Bhd
(506293-D)
(formerly known as Signet Share Registration Services
Sdn Bhd)
11th Floor, Tower Block, Kompleks Antarabangsa
Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel : 03 21454337
Fax : 03 21421353

PRINCIPAL BANKER

Malayan Banking Berhad (3813-K)
48 Jalan Tiga, 90704 Sandakan, Sabah

HSBC Bank Malaysia Berhad (127776-V)
Jalan Pelabuhan/Leboh Tiga
90000 Sandakan, Sabah

AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55 Jalan Raja Chulan, 50200 Kuala Lumpur

Alliance Merchant Bank Berhad (21605-D)
Level 19, Menara Multi-Purpose
Capital Square, 8 Jalan Munshi Abdullah
50100 Kuala Lumpur

AUDITOR

Ernst & Young (Firm No. AF 0039)
Alliance Bank Building, 2nd Floor, Jalan Utara
W.D.T. 46, 91009 Tawau, Sabah

STOCK EXCHANGE LISTING

Second Board of Bursa Malaysia Securities Berhad

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Company will be convened and held at Boardroom 1, Level 1 of Sabah Hotel, Sandakan, Sabah on 10 December 2004 at 9.30 a.m. to transact the following business:

AGENDA

- | | | |
|----|--|---------------------|
| 1. | To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2004 and the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. | To declare a first and final tax-exempt dividend of 1.5 sen in respect of the financial year ended 30 June 2004. | Resolution 2 |
| 3. | To approve the payment of Directors' Fees. | Resolution 3 |
| 4. | To re-elect the following Directors retiring pursuant to Article 86 of the Company's Articles of Association: | |
| | (a) Mr Kwan Tack Chiong | Resolution 4 |
| | (b) Mr Ooi Jit Huat | Resolution 5 |
| 5. | To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. | Resolution 6 |
| 6. | As Special Business: | |

ORDINARY RESOLUTION

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

Resolution 7

"**THAT**, subject to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may 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 such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. To transact any other business that may be transacted at an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

BY ORDER OF THE BOARD

YUEN WAI SENG
Company Secretary

Tawau
18 November 2004

Notice Of Annual General Meeting

Notes:

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
2. *Where a member appoints 2 or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.*
4. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 5, 1st Floor, Block No. 4, Bandar Indah, Mile 4, Jalan Utara, P. O. Box 2848, 90732 Sandakan, Sabah not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*

5. **EXPLANATORY NOTE ON SPECIAL BUSINESS**

Resolution No. 7

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

The Resolution No. 7 proposed under Item 6, if passed, will give powers to the Directors to issue up to a maximum 10% of the issued share capital for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked and varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Priceworth Wood Products Berhad for the financial year ended 30 June 2004.

FINANCIAL RESULTS

During the year under review, the Group recorded revenue of RM175.1 million and profit after taxation of RM8.0 million compared to revenue of RM125.7 million and profit after taxation of RM11.3 million in the previous financial year. The increase in revenue for the current financial was mainly contributed by the increased in sales orders from existing customers and increased in logging activities. The decrease in the pre-tax profit was mainly due to higher operating costs such as fuel cost, depreciation, repair and maintenance and overhead which had reduced the profit margin of the Group.

The volume of log extracted for the year ended 30 June 2004 was 359,404 m³.

SIGNIFICANT CORPORATE DEVELOPMENT AND SUBSEQUENT EVENT

During the year under review, significant corporate development and subsequent events are as follows:

1. Proposed Acquisition of Cergas Kenari Sdn Bhd and Teras Selasih Sdn Bhd

The Board of Directors had on 30 October 2003, announced the following proposals through AmMerchant Bank Berhad:-

- a. Proposed acquisitions of the entire equity interests in Cergas Kenari Sdn Bhd and Teras Selasih Sdn Bhd comprising 1,000,000 ordinary shares of RM1.00 each respectively from Lim Nyuk Foh, Dato' Zakhir Siddiqy bin Sidek and Chok Syn Vun (collectively known as "Vendors") for a total purchase consideration of RM75,000,000 to be satisfied by way of issuance of 68,181,818 ordinary shares of RM0.50 each in the Company at an issue price of RM1.10 per Share;
- b. Proposed waiver in favour of the Vendors from the obligation to undertake a mandatory take-over offer for all the remaining Shares not already held by the Vendors upon the completion of the proposed acquisitions;
- c. Proposed transfer of the listing of and quotation for the entire issued and paid-up share capital of the Company from the Second Board to the Main Board of the Kuala Lumpur Stock Exchange;
- d. Proposed increase in authorised share capital of the Company from RM50,000,000 comprising 100,000,000 Shares to RM100,000,000 comprising 200,000,000 Shares;
- e. Proposed shareholders' ratification for all recurrent related party transactions of revenue or trading nature which are necessary for the day-to-day operations of the Company and its subsidiaries ("Group") entered into by the Group from 31 December 2001 (being the listing date of the Company) until the date of the forthcoming extraordinary general meeting at which such ratification is proposed to be obtained;
- f. Proposed shareholders' mandate for the Group to enter into all recurrent related party transactions from the date of the forthcoming EGM at which such mandate is proposed to be obtained until the conclusion of the next annual general meeting of the Company.

The Company had obtained approvals from all relevant parties for the implementation of the proposals above, save for the approval from Bursa Malaysia for the listing of and quotation for the additional 68,181,818 new PWP Shares to be issued pursuant to the acquisitions stated above and the transfer of the entire enlarged share capital of 153,181,818 PWP Shares to the Main Board of Bursa Malaysia.

Chairman's Statement

SIGNIFICANT CORPORATE DEVELOPMENT AND SUBSEQUENT EVENT (Cont'd)

2. Proposed Acquisition of Sinora Sdn Bhd and Innora Sdn Bhd

The Board of Directors had on 30 July 2004, announced the following proposals through Alliance Merchant Bank:

- a. Proposed acquisition of 2,000,000 ordinary shares ("ISB Shares") of RM1.00 each in Innora Sdn Bhd ("ISB") representing the entire equity interest thereof for a cash consideration of RM9,519,000 from Sinora Industries Berhad ("SIB"); and
- b. Proposed acquisition of 10,000,000 ordinary shares ("SSB Shares") of RM1.00 each in Sinora Sdn Bhd ("SSB") representing the entire equity interest thereof for a cash consideration of RM1,000,000 from SIB; giving a total cash consideration of RM10,519,000.

On 30 July 2004, the Company entered into a conditional sale of share agreement ("SSA") with SIB ("Vendor") for the acquisition of 2,000,000 ISB Shares and 10,000,000 SSB Shares, for a total cash consideration of RM10,519,000, being the aggregate of the purchase consideration of RM9,519,000 for ISB Shares and RM1,000,000 for SSB Shares. A cash deposit of RM7,000,000 had been paid to the Vendor upon execution of the SSA. In conjunction with the proposed acquisitions, the Group had, on 30 July 2004 also executed the Management Agreement with SSB, ISB and SIB. On 30.09.2004, the balance of RM3,519,000 had been paid to the Vendor.

The proposed acquisitions are conditional upon approvals being obtained from the following:

- a. SC in respect of the proposed disposal by SIB;
- b. FIC in respect of the proposed acquisitions;
- c. MITI in respect of the proposed acquisitions; and
- d. Shareholders of PWP and SIB at the Extraordinary General Meetings to be convened respectively, for the proposed acquisitions and proposed disposal by SIB.

Barring unforeseen circumstances, the proposed acquisitions are expected to be completed by the first quarter of 2005.

PROSPECTS

The future prospects of the timber industry will be dependent on the outlook on the international front as well as the domestic economy.

The positive growth of domestic economy will be beneficial for the timber and processed wood products industry especially since the increased in the confidence level of consumer and low level of interest rate have spur the demand for residential properties. Hence the demand from the industry is expected to grow in tandem with the growth in the demand for residential properties and furniture.

In the international front, the economies of most East Asian timber importing countries, like Japan, South Korea and Taiwan are recovering and growing, whereas China and India are achieving high economic growth. Furthermore, the construction of international class facilities for the Beijing Olympics will propel greater demand for timber products from China and reduce its export capacity. The global timber market and prices of wood products are expected to be sustained at current level amid of the continuous demand from countries such as China and Japan.

Chairman's Statement

PROSPECTS (Cont'd)

Despite the increasing difficulties such as surging fuel cost, spare part cost and the challenging global environment, the Board believes that the Group's long-term prospect in the industry remains intact and the Group would continue to strive to maintain market position and focus on measures to produce and market high quality downstream value added products and to continue improve its efficiency and production capacity.

On the basis of the above and barring unforeseen circumstances, the Board of Directors is optimistic that the Group will continue to achieve positive results for the financial year ending 30 June 2005.

DIVIDEND

The Board has recommended for your approval a first and final tax-exempt dividend of 1.5 sen per share for the financial year ended 30 June 2004. The dividend payout by the Group would amount to RM2.1 million.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to convey our appreciation to the management and staff for their diligence, dedication, professionalism and commitment towards the achievements of the Group in maintaining the Group's competitiveness and making another successful year possible. I wish also to express my gratitude to the shareholders, financiers, customers, suppliers, business associates and all other stakeholders for the continued support and confidence for the Group. Finally, I would also like to express appreciation to our other board members for their contributions and unfailing support during the year.

TAN SRI SABBARUDDIN CHIK

Chairman

25 October 2004

Directors' Profile

TAN SRI SABBARUDDIN CHIK

Aged 63, was appointed as the Chairman of the PWP Group on 2 November 2001.

He graduated from Universiti Malaya in 1965 and from the Institute of Social Studies, The Hague, Holland in 1974. He started his government career as the Assistant Secretary for the State of Negeri Sembilan from 1966 to 1967. In 1967, he was appointed as Assistant Secretary for the Ministry of Foreign Affairs. From 1967 to 1971, he was the Malaysian Consulate in Saigon before being appointed as the Assistant Secretary Head in the Prime Minister Department from 1971 to 1975. In 1975, he was appointed as Director for Planning in the Prime Minister Department and thereafter became the Director for International Trade in the Ministry of Trade and Industry from 1976 to 1979. Between 1980 and 1981, he was the Deputy Secretary for the Government of Selangor. Subsequently he was appointed as Deputy Finance Minister from 1982 to 1987 and thereafter, he was the Cultural, Arts and Tourism Minister from 1987 to 1999. He was awarded the Setia Mahkota Selangor (S.M.S.) and Darjah Sultan Ahmad Shah Pahang (S.D.A.P.) in 1982, the Seri Indera Mahkota Pahang (S.I.M.P.) in 1988, the Dato' Paduka Mahkota Selangor (D.P.M.S.) in 1992, the Sri Sultan Ahmad Shah Pahang (S.S.A.P.) in 1998 and the Paduka Setia Mahkota (P.S.M.) in 2000.

He has no directorship or major shareholdings in other public corporations for the past two (2) years.

LIM NYUK FOH

Aged 40, who is the founder, was appointed as the Managing Director of the PWP Group from 2 November 2001.

He graduated from the University of Toledo, Toledo, United States of America with a Degree in Finance majoring in Investment. He has extensive experience in the timber industry. Coming from a family involved in the timber business, he ventured into the trading of timber for the domestic and foreign market in 1989, and in 1990 he founded PISB to undertake the sawmilling and timber extraction business. In 1993, PISB commenced its manufacturing operations. PWP today is involved in the manufacture and sale of processed wood products namely sawn timber, barecore board, fingerjoints, laminated timber, moulding profiles & moulded timber, wooden doors, window frames, parquet flooring, UV coating flooring, CCA treated wood, provision of wood processing services and rental of kiln dry machinery.

He has no directorship or major shareholdings in other public corporations for the past two (2) years.

CHOK SYN VUN

Aged 34, is the Executive Director of PWP Group from 2 November 2001.

He graduated from Stamford College, Singapore in 1991 with a Diploma in Accounting. In 2000, he was awarded Bachelor of Business Administration, with a major in Accounting with Distinction from Ashington University, England. He joined PISB in 17 March 1994. The limited number of personnel during the formative years of the Group provided him with the opportunity to involve himself in various aspects of operations, including administrative, finance and human resources management. Through this exposure, he has gained extensive experience in the timber operations of the Group.

Chok Syn Vun was appointed as the Executive Director of PISB on 17 February 1997. He is in the management team where he oversees the administration and financial functions of the PWP Group.

He has no directorship or major shareholdings in other public corporations for the past two (2) years.

RAMLEE BIN MOHD SHARIFF

Aged 40, is a director of PISB.

He is a Fellow member of Association of Certified Chartered Accountants (ACCA). He began his career in Ernst & Young in 1987 and became an Audit Manager in 1992. In 1993, he joined Shapadu Corporation Sdn Bhd as the Internal Audit Manager and was promoted to Group Financial Controller in May 1995. He left the company in May 1997 to join Bridgecon Holdings Berhad as the General Manager - Finance where he was also responsible for the Group's Corporate Finance, Accounts and Management Information System Department. He is currently the Managing Director of Iman Consulting Sdn Bhd, a company involved in providing corporate finance and financial related advice to clients.

He has no directorship or major shareholdings in other public corporations for the past two (2) years.

Directors' Profile

KWAN TACK CHIONG

Aged 41, was appointed to the Board of PWP on 2 November 2001.

He graduated from the University of Toledo, Toledo, United States of America with a Bachelor of Business Administration. He started off as a supervisor in Pinayas Wood Products Sdn Bhd in 1989. Then in 1990, he joined Trimwood Industrial Sdn Bhd as a Manager until 1992. Subsequently from 1992 until 1993, he joined Service Trading Sdn Bhd as a Marketing Director before joining Priceworth Industries Sdn Bhd as a Director from 1993 to 1995. In 1996, he is the Director for Matotech (M) Sdn Bhd until currently.

He has no other directorship or major shareholdings in other public corporations for the past two (2) years.

OOI JIT HUAT

Aged 52, was appointed to the Board of PWP on 2 November 2001.

He started his career at Peat Marwick Mitchell & Co, Kuala Lumpur as an Article Student and was subsequently promoted to be an Audit Supervisor. He was a supervisor in the Computer Audit Department for Peat Marwick Mitchell & Co in London from 1980 to 1981. Subsequently on 1981, he was a Manager at Peat Marwick Mitchell & Co of Kuala Lumpur until 1982. In 1983, he became a Financial Controller for Zemex Corporation before he founded his own public accounting firm, Russ Ooi & Associates in 1985. He has over 20 years of experience in the financial industry having carved areas of expertise in corporate consultancy, financial management, management information systems and auditing and investigations. He has also served on the Boards of several Malaysian Public Listed companies and currently he is the independent director of Kwantas Corporation Berhad. His professional assignments covered flotations exercises, investigations and due diligence reporting and the reverse take-overs of several companies on the Kuala Lumpur Stock Exchange. He is a Certified Public Accountant, a member of the Malaysian Association of Certified Public Accountants, Malaysian Institute of Accountants and the Malaysian Institute of Taxation. .

He is a director of Kwantas Corporation Berhad. Save as disclosed, he does not have other directorship or major shareholdings in other public corporations for the past two (2) years.

Statement Of Corporate Governance

The Board of Directors ("the Board") of Priceworth Wood Products Berhad ("PWP" or the Company) recognises its responsibility for maintaining good corporate governance. The Board acknowledges that good corporate governance is a continuous improvement process that requires periodic reassessment and refinement of management practices and systems.

A. BOARD OF DIRECTORS

Composition of the Board

PWP is led and managed by a Board comprising members with wide range of experience in the relevant fields required to successfully direct and supervise the company's business activities. As at the date of this statement, the Board consists of two Executive Directors and four Non-Executive Directors, two of whom are independent. The profile of each director is presented in this Annual Report on pages 8 to 9.

The Managing Director is primarily responsible for the orderly conduct and the working of the Board, day-to-day running of the business and implementation of Board policies and decisions. The presence of Independent Non-Executive Directors is essential as they provide unbiased and independent views, advice and judgments as well as to safeguard the interest of other parties such as minority shareholders.

Board Meetings

To ensure that PWP is managed effectively and efficiently, the Board has met four (4) times during the financial year ended 30 June 2004 with a formal schedule of matters reserved for its deliberation. Besides that, the Board also approves matters through the circulation of Directors' Circular Resolutions in accordance with the Articles of Association.

The details of the Directors' attendances for the Board meetings are set out below:-

Directors	No. of Meetings Attended
1) Tan Sri Sabbaruddin Chik	4 of 4
2) Lim Nyuk Foh	4 of 4
3) Chok Syn Vun	4 of 4
4) Ramlee Bin Mohd Shariff	4 of 4
5) Kwan Tack Chiong	4 of 4
6) Ooi Jit Huat	4 of 4

Appointments to the Board

A Nominating Committee was established on 2nd January 2002, comprising the following members:

1. Tan Sri Sabbaruddin Chik (*Chairman*)
2. Kwan Tack Chiong
3. Ooi Jit Huat

The Nomination Committee is responsible for making recommendations for any appointments to the Board including those of subsidiary companies having considered the required mix of skills and experience.

Supply of Information

Prior to the Board meeting, the Chairman ensures that all the Directors receive the agenda and Board papers containing information relevant to the business of the meeting, including information on major financial performance, operational and corporate matters of the Group. The Minutes of the Board meetings are confirmed at the following meeting and are maintained by the Company Secretary.

The Directors have unhindered access to the advice and services of the Company Secretary.

Statement Of Corporate Governance

A. BOARD OF DIRECTORS (Cont'd)

Re-election of Directors

In accordance with the provisions of the Company's amended Articles of Association, at least one-third of the Directors (including Managing Director) are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire and be eligible for re-election at least once in three years.

Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analysis Malaysia (RHAM).

Audit Committee

The detail of the Audit Committee is set out in Audit Committee Report on pages 15 to 16.

B. DIRECTORS' REMUNERATION

The Directors' Remuneration Committee was established on 28 February 2002, comprising the following members:

1. Kwan Tack Chiong (*Chairman*)
2. Lim Nyuk Foh
3. Ooi Jit Huat

The Committee is responsible for setting the policy framework and for making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors.

The aggregated remuneration of the directors categorised into appropriate components is:

Director Remuneration	Executive Director(s) RM'000	Non-Executive Director(s) RM'000
Fee	–	228
Salaries	306	–
Bonuses & allowance	122	22
Total	428	250

The number of directors of the Company whose total remuneration fall within the following bands is:

RM'000	Executive Director(s)	Non-Executive Director(s)
Below 50	–	3
50 to 100	–	–
Above 100	2	1
Total	2	4

Statement Of Corporate Governance

C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board believes in clear and regular communication with its shareholders and institutional investors. The Annual Report and release of financial results on a quarterly basis provides shareholders with an overview of the Group's performance and its business activities.

The Board encourages participation from shareholders by having a question and answer session during the Annual General Meeting whereby the Directors are available to discuss aspects of the Group's performance and its business activities. The Board also plans to conduct regular dialogues with institutional investors, fund managers and analysts with the aim of fostering mutual understanding of the Group's objectives.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of the results to shareholders as well as the Chairman's statement and review of the operations in its first annual report.

Internal Control

The overview of the state of internal controls within the Group is covered under Statement on Internal Control in the following pages.

Relationship with the Auditors

The Company has established a formal and transparent arrangement with the auditors in line with the auditors' professional requirements. The auditors may from time to time throughout the financial year, highlight to the Audit Committee and the Board on matters that require the Board's attention.

The Board of Directors
PRICEWORTH WOOD PRODUCTS BERHAD
25 October 2004

Statement Of Internal Control

The Board recognizes that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. As with any internal control system, the system can only provide reasonable but not absolute assurance against material misstatement or loss, as controls are designed to manage rather than eliminate the risk of failure to achieve business objectives.

In striving to operate a system of internal control that will drive the Group towards its goals, the Board relies upon balanced monitoring and reviewing of the system by the Executive Directors and the Audit Committee respectively. The Executive Directors oversee the day-to-day operations and conduct of the Group's business. Scheduled meetings, chaired by either the Managing Director or Executive Director, were held at operational and management level to identify, discuss and resolve business and operational issues. Significant matters that were discussed during those scheduled meetings were then reported to the Board.

The Group's detailed organisation structure embeds strong control features throughout the Group. The structure identifies the head of each department, their subordinates and superiors which facilitates a clear reporting line.

The Board is considering the need for an internal audit function in view of the growing of the size of the Group. Currently, the Executive Board members through their day to day involvement in the business operations and attendances at the operational and management level meetings, manage and monitor the Group's direction, operational effectiveness and efficiency, and adherence to Group's policies and procedures. The Executive Board members have been continually identifying, evaluating and managing the significant risks faced by the Group throughout the year and recognize the importance of maintaining the adequacy and integrity of the Group's system of internal control.

The Board of Directors
PRICEWORTH WOOD PRODUCTS BERHAD
25 October 2004

Statement Of Directors' Responsibility

This Statement is prepared as required by the Listing Requirement of Bursa Malaysia Securities Berhad.

The directors are required to prepare financial statements, which give a true and fair view of the state of affairs of the Group and the Company as at end of each financial year and of their results and cash flows for that year then ended.

In preparing the financial statements set out on pages 24 to 51, the directors have:

- adopted appropriate accounting policies and applied them consistently
- made judgements and estimates that were prudent and reasonable; and
- ensured applicable approved accounting standards in Malaysia have been followed

The directors are responsible for ensuring that the Company and its subsidiaries maintain accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The statement by the Board pursuant to Section 169(15) of the Companies Act, 1965 is presented on page 22.

The directors have a general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

The Audit Committee Report

MEMBERSHIP

Chairman

Kwan Tack Chiong Independent Non-Executive Director

Members

Chok Syn Vun	Executive Director
Ooi Jit Huat	Independent Non-Executive Director

COMPOSITION

The Audit Committee ("the Committee") shall be appointed by the Board of Directors from amongst its Directors and shall consist of not less than three (3) members of whom a majority shall be independent directors. A quorum shall be two (2) members.

In this respect, the “independent directors” is confined within the definition under the Bursa Malaysia Securities Berhad Listing Requirements. And at least one (1) member of the Committee:

1. shall be a member of the Malaysian Institute of Accountants; or
2. if he is not a member of Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:
 - a. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - b. he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967.

The members of the Committee shall elect a Chairman from among their number who is an independent director.

The Board shall, within three (3) months of a vacancy occurring in the Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

MEETING

Meetings of the Committee shall be held not less than four (4) times in a financial year. The External Auditors may request a meeting if they consider that one is necessary.

In addition to the Committee Members, the meetings will be attended by a representative of the department in the Company and of the external auditors as and when required.

The Secretaries to the Committee shall be the Company Secretaries.

FUNCTIONS

The functions of the Committee shall be:

1. Review the following and report the same to the Board of Directors:
 - a. with the external auditors, the audit plan;
 - b. with the external auditors, their evaluation of the system of internal control;
 - c. with the external auditors, his audit report on the financial statements;

The Audit Committee Report

FUNCTIONS (Cont'd)

- d. the assistance given by employees of the Company to the external auditors;
 - e. the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - f. the internal audit programme, processes, the results of the internal audit programme, process or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - g. the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
 - i. changes in or implementation of major accounting policy changes;
 - ii. significant and unusual events; and
 - iii. compliance with accounting standards and other legal requirements;
 - h. any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - i. any letter of resignation from external auditors of the Company;
 - j. whether there is reason (supported by ground) to believe that the Company's external auditors is not suitable for re-appointment
 - k. to consider any matters the auditors wish to bring to the attention of the Board of Directors or shareholders; and
 - l. such other responsibilities as may be applied to by the Committee and the Board
2. Recommend the nomination of a person or persons as external auditors.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 June 2004, the Committee held five (5) meetings. Details of attendance are as follows:

Members	No. of Meetings Attended
Kwan Tack Chiong	5/5
Chok Syn Vun	5/5
Ooi Jit Huat	5/5

During the year, the Audit Committee carried out its duties as set out in the terms of reference. The Committee met with due notices of meetings issued and with agenda planned and itemized in order for issues raised to be discussed in a focused and detailed manner.

The following activities were carried out by the Committee during the financial year ended 30 June 2004:

1. Reviewed quarterly financial statements before submissions to the Board and announcements/fillings to the Bursa Malaysia Securities Berhad.
2. Reviewed annual audited financial statements before submissions to the Board and announcements/fillings to the Bursa Malaysia Securities Berhad.
3. Reviewed the internal controls of the Company.
4. Reviewed the recurrent and other related party transactions arise in the ordinary course of business and are on terms not more favorable to the related party than those generally available to the public.

FINANCIAL STATEMENTS

18-21	DIRECTORS' REPORT
22	STATEMENT BY DIRECTORS
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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 30 June 2004.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are stated in Note 13 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the year	8,063,522	1,776,677

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

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

The amount of dividend paid by the Company since 30 June 2003 was as follows:

	RM
In respect of the financial year ended 30 June 2003 as reported in the annual report of that year:	
Final tax exempt dividend of 2%, on 85,000,000 ordinary shares, declared on 9 February 2004 and paid on 10 March 2004	1,700,000

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 Sabbaruddin Chik
Lim Nyuk Foh
Chok Syn Vun
Ramlee Bin Mohd. Shariff
Kwan Tack Chiong
Ooi Jit Huat

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 as shown in Note 6 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 he is a member, or with a Company in which he has a substantial financial interest, except as disclosed in Note 27 to the financial statements.

Directors' Report

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 during the financial year were as follows:

The Company	Number of Ordinary Shares of RM0.50 Each			30 June 2004
	1 July 2003	Acquired	Sold	
Direct Interest				
Tan Sri Sabbaruddin Chik	900,000	120,000	–	1,020,000
Lim Nyuk Foh	30,913,980	–	(8,261,500)	22,652,480
Chok Syn Vun	962,000	–	(11,000)	951,000
Ramlee bin Mohd. Shariff	5,010,000	180,000	(2,724,000)	2,466,000
Ooi Jit Huat	–	6,000	–	6,000

Lim Nyuk Foh by virtue of his interest in shares in the Company is also deemed interested in shares of 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 SIGNIFICANT EVENTS

- (a) On 30 October 2003 and 21 November 2003, the Company had entered into two separate conditional sale and purchase agreements and two separate supplemental agreements respectively with the vendors of Cergas Kenari Sdn. Bhd. ("CKSB") and Teras Selasih Sdn. Bhd. ("TSSB"), namely Lim Nyuk Foh, Dato' Zakhir Siddiqy bin Sidek and Chok Syn Vun ("the Vendors"), for the acquisitions of the entire issued and paid-up share capital of CKSB and TSSB for a total purchase consideration of RM75,000,000 to be satisfied by the issuance of 68,181,818 new ordinary shares of RM0.50 each in the Company ("PWP Share") at an issue price of RM1.10 per share ("the Acquisitions").
- (b) On 30 October 2003, the Company announced the following proposals ("the Proposals"):
 - (i) the Acquisitions;
 - (ii) waiver to the Vendors from the obligation to undertake a mandatory take-over offer for all the remaining PWP Shares not already held by the vendors upon the completion of the Acquisitions;
 - (iii) listing of and quotation for the additional 68,181,818 new PWP Shares and the transfer of the entire enlarged share capital of 153,181,818 PWP Shares to the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia"); and
 - (iv) increase in the authorised share capital of the Company from RM50,000,000 comprising 100,000,000 PWP Shares to RM100,000,000 comprising 200,000,000 PWP Shares.

The Company had obtained approvals from all relevant parties for the implementation of the Proposals, save for the approval from Bursa Malaysia for the listing of and quotation for the additional 68,181,818 new PWP Shares to be issued pursuant to the Acquisitions and the transfer of the entire enlarged share capital of 153,181,818 PWP Shares to the Main Board of Bursa Malaysia.

Directors' Report

SUBSEQUENT EVENT

- (a) On 30 July 2004, the Company had entered into a conditional sale of share agreement ("SSA") with Sinora Industries Berhad ("SIB") for:
- (i) the acquisition of the entire issued and paid-up share capital of Innora Sdn. Bhd. ("ISB") comprising 2,000,000 ordinary shares of RM1.00 each for a cash consideration of RM9,519,000; and
 - (ii) the acquisition of the entire issued and paid-up share capital of Sinora Sdn. Bhd. ("SSB") comprising 10,000,000 ordinary shares of RM1.00 each for a cash consideration of RM1,000,000.

In conjunction with the SSA, the Company had on 30 July 2004 also entered into a management agreement with SIB, ISB and SSB to appoint the Company as the manager to manage the businesses and operations of ISB and SSB in accordance with the terms and conditions of the Management Agreement, pending completion of the acquisitions of ISB and SSB.

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 there were no known bad debts and that no provision for doubtful debts was necessary; 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) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and of the Company; and
 - (ii) the values attributed to the 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.
- (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 or 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.

Directors' Report

OTHER STATUTORY INFORMATION (Cont'd)

(f) In the opinion of the directors:

- (i) no contingent 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 or 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 or of the Company for the financial year in which this report is made.

SHARE OPTIONS

There were no options granted during the financial year to take up unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option as at 30 June 2004.

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.

LIM NYUK FOH

Sandakan, Sabah
Malaysia
25 October 2004

CHOK SYN VUN

Statement By Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

We, **LIM NYUK FOH** and **CHOK SYN VUN**, being two of the directors of **PRICEWORTH WOOD PRODUCTS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 24 to 51 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2004 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.

LIM NYUK FOH

CHOK SYN VUN

Sandakan, Sabah
Malaysia
25 October 2004

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, **KOO JENN MAN**, being the financial officer primarily responsible for the financial management of **PRICEWORTH WOOD PRODUCTS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 24 to 51 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
KOO JENN MAN
at Sandakan in the State of Sabah
on 25 October 2004

KOO JENN MAN

Before me,

HAMZAH ABDULLAH
No. S057
Commissioner of Oath

Report Of The Auditors

To The Members Of Priceworth Wood Products Berhad

We have audited the financial statements set out on pages 24 to 51. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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 Approved Accounting 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 30 June 2004 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the 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 material to the consolidated financial statements and did not include any comment required to be made under Section 174 (3) of the Act.

ERNST & YOUNG
AF: 0039
Chartered Accountants

25 October 2004
Tawau, Sabah
Malaysia

PANG PAK LOK
1228/3/05 (J)
Partner

Income Statements

For The Years Ended 30 June 2004

	Note	Group		Company	
		2004 RM	2003 RM	2004 RM	2003 RM
Revenue	3	175,129,213	125,733,214	2,637,922	4,946,105
Cost of sales		(157,669,417)	(104,041,382)	–	–
Gross profit		17,459,796	21,691,832	2,637,922	4,946,105
Other operating income		1,678,988	1,002,543	–	–
Selling expenses		(3,294,076)	(1,055,605)	–	–
Administrative expenses		(4,998,188)	(4,178,404)	(1,246,915)	(925,457)
Profit from operations	4	10,846,520	17,460,366	1,391,007	4,020,648
Interest income	7	3,543	3,542	2,138,158	679,211
Finance costs	8	(2,712,768)	(3,140,587)	(1,612,091)	(678,233)
Profit before taxation		8,137,295	14,323,321	1,917,074	4,021,626
Taxation	9	(73,773)	(2,979,104)	(140,397)	(260)
Net profit for the year		8,063,522	11,344,217	1,776,677	4,021,366
Earnings per share (sen)					
Basic	10	9.5	13.4		
Net dividends per ordinary share in respect of the year (sen):	11	–	2.0		

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

Balance Sheets

As At 30 June 2004

	Note	Group		Company	
		2004 RM	2003 RM	2004 RM	2003 RM
NON-CURRENT ASSETS					
Property, plant and equipment	12	84,646,047	77,705,600	–	–
Investments in subsidiaries	13	–	–	42,076,738	42,076,738
Other investment	14	50,000	50,000	–	–
		84,696,047	77,755,600	42,076,738	42,076,738
CURRENT ASSETS					
Property development costs	15	1,213,446	–	–	–
Inventories	16	18,145,754	15,337,740	–	–
Trade receivables	17	16,964,405	17,619,717	–	–
Other receivables	18	42,714,648	39,912,181	59,459,890	58,993,479
Cash and bank balances	19	2,654,231	6,460,084	104,854	65,859
		81,692,484	79,329,722	59,564,744	59,059,338
CURRENT LIABILITIES					
Borrowings	20	3,661,623	2,416,744	9,657	–
Trade payables	22	4,161,477	2,576,953	–	–
Other payables	23	4,495,454	4,161,441	421,931	143,256
Tax payable		5,872,952	5,428,411	140,668	271
		18,191,506	14,583,549	572,256	143,527
NET CURRENT ASSETS					
		63,500,978	64,746,173	58,992,488	58,915,811
		148,197,025	142,501,773	101,069,226	100,992,549
FINANCED BY:					
Share capital	24	42,500,000	42,500,000	42,500,000	42,500,000
Other reserves	25	19,251,573	19,251,573	14,017,161	14,017,161
Retained profits		34,199,691	27,836,169	552,065	475,388
Shareholders' equity		95,951,264	89,587,742	57,069,226	56,992,549
Borrowings	20	47,661,340	47,391,792	44,000,000	44,000,000
Deferred tax liabilities	26	4,584,421	5,522,239	–	–
Non-current liabilities		52,245,761	52,914,031	44,000,000	44,000,000
		148,197,025	142,501,773	101,069,226	100,992,549

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

Statement Of Changes In Equity

For The Year Ended 30 June 2004

Group	Note	Non- <—Distributable—> Reserve on Consolidation				<-Distributable-> Retained Profits RM	Total RM
		Share Capital RM	Share Premium RM	on Consolidation RM			
At 1 July 2002		42,500,000	14,017,161	5,234,412		19,891,952	81,643,525
Net profit for the year		—	—	—		11,344,217	11,344,217
Dividends		—	—	—		(3,400,000)	(3,400,000)
At 30 June 2003		42,500,000	14,017,161	5,234,412		27,836,169	89,587,742
At 1 July 2003		42,500,000	14,017,161	5,234,412		27,836,169	89,587,742
Net profit for the year		—	—	—		8,063,522	8,063,522
Dividends	11	—	—	—		(1,700,000)	(1,700,000)
At 30 June 2004		42,500,000	14,017,161	5,234,412		34,199,691	95,951,264

Company	Note	Non- <-Distributable-> Share Premium				<-Distributable-> Retained Profits RM	Total RM
		Share Capital RM	Share Premium RM				
At 1 July 2002		42,500,000	14,017,161			(145,978)	56,371,183
Net profit for the year		—	—			4,021,366	4,021,366
Dividends		—	—			(3,400,000)	(3,400,000)
At 30 June 2003		42,500,000	14,017,161			475,388	56,992,549
At 1 July 2003		42,500,000	14,017,161			475,388	56,992,549
Net profit for the year		—	—			1,776,677	1,776,677
Dividends	11	—	—			(1,700,000)	(1,700,000)
At 30 June 2004		42,500,000	14,017,161			552,065	57,069,226

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

Cash Flow Statements

For The Year Ended 30 June 2004

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	8,137,295	14,323,321	1,917,074	4,021,626
Adjustments for:				
Depreciation of property, plant and equipment	12,554,767	9,566,495	–	–
Gain on disposal of property, plant and equipment	(247,354)	–	–	–
Goodwill written off	–	2,925	–	–
Interest income	(3,543)	(3,542)	(2,138,158)	(679,211)
Interest expense	2,712,768	3,140,587	1,612,091	678,233
Operating profit before working capital changes	23,153,933	27,029,786	1,391,007	4,020,648
Increase in property development costs	(1,167,466)	–	–	–
Increase in inventories	(2,808,014)	(2,372,300)	–	–
Increase in receivables	(2,147,155)	(16,619,393)	(466,411)	(44,581,954)
Increase/(decrease) in payables	1,918,537	(1,053,326)	278,675	33,494
Cash generated from/(used in) operations	18,949,835	6,984,767	1,203,271	(40,527,812)
Taxes paid	(567,050)	(342,995)	–	(8,889)
Net cash generated from/(used in) operating activities	18,382,785	6,641,772	1,203,271	(40,536,701)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note 12(a))	(15,636,590)	(17,582,917)	–	–
Proceeds from disposal of property, plant and equipment	1,430,000	–	–	–
Interest received	3,542	3,542	2,138,158	679,211
Net cash (used in)/generated from investing activities	(14,203,047)	(17,579,375)	2,138,158	679,211

Cash Flow Statements

For The Year Ended 30 June 2004

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(2,712,768)	(3,140,587)	(1,612,091)	(678,233)
Proceeds from issuance of Medium Term Yield Notes	–	44,000,000	–	44,000,000
Repayment of bankers' acceptances	–	(579,002)	–	–
Repayment of revolving credits	–	(4,900,000)	–	–
Repayment of hire purchase and lease financing	(3,582,480)	(1,759,812)	–	–
Repayment of term loan	–	(12,429,313)	–	–
Dividends paid	(1,700,000)	(3,400,000)	(1,700,000)	(3,400,000)
Net cash (used in)/generated from financing activities	(7,995,248)	17,791,286	(3,312,091)	39,921,767
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,815,510)	6,853,683	29,338	64,277
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,460,084	(393,599)	65,859	1,582
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 19)	2,644,574	6,460,084	95,197	65,859

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

Notes To The Financial Statements

30 June 2004

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are stated in Note 13 to the financial statements. 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 Bursa Malaysia Securities Berhad. The registered office of the Company is located at 1st Floor, Lot 5, Block No. 4, Bandar Indah, Mile 4, Jalan Utara, 90732 Sandakan, Sabah.

The number of employees in the Group and in the Company at the end of the financial year were 995 (2003: 782) and 4 (2003: 3) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 October 2004.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

During the financial year ended 30 June 2004, the Group and the Company adopted MASB 29 : Employee Benefits for the first time. The adoption of MASB 29 has not given rise to any adjustments to the opening balances of retained profits of the prior and current years or to changes in comparatives.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of the subsidiaries are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

(c) Investments in Subsidiaries

The Company's investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

Notes To The Financial Statements

30 June 2004

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Other Investment

Unquoted investment held on a long term basis is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

(e) Property, Plant and Equipment, and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

No depreciation is provided on leasehold land with an unexpired term of more than 50 years. This is not in compliance with MASB 15 Property, Plant and Equipment. In the opinion of the directors, the effect of this non-compliance on the financial statements is considered to be immaterial and is disclosed in Note 12.

Depreciation of other 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 the estimated useful life at the following annual rates:

Buildings	2% - 10%
Heavy equipment, motor vehicles and motor launches	20%
Plant and machinery	7%
Furniture, fittings and equipment	10% - 33 1/3%
Camp infrastructure	15%

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(f) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

Notes To The Financial Statements

30 June 2004

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Cash and Cash Equivalents

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

(i) Leases

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

(i) Finance leases

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

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

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2(e).

(ii) Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

(j) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Notes To The Financial Statements

30 June 2004

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) 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, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 in the income statement, 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 negative goodwill.

(l) 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 of the Group. 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

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

Prior to the adoption of MASB 29 : Employee Benefits on 1 July 2003, no liability was recognised for the obligations in respect of short-term employee benefits in the form of accumulating compensated absences. The change in accounting policy has been accounted for retrospectively but no comparatives have been restated as the effect on retained profits is deemed to be immaterial.

(m) Revenue Recognition

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

(i) Sale of goods

Revenue relating to sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

(ii) Revenue from services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes To The Financial Statements

30 June 2004

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Foreign Currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement. The principal exchange rate used for each respective unit of foreign currency ruling at the balance sheet date is as follows:

	2004 RM	2003 RM
United States Dollars	3.80	3.80

(o) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

(p) 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 in 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) Other Non-Current Investments

Non-current investments other than investments in subsidiaries are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(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 a review of all outstanding amounts as at the balance sheet date.

(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.

Notes To The Financial Statements

30 June 2004

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iv) Interest-Bearing Borrowings

Interest-bearing bank borrowings are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(v) Equity Instruments

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

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

3. REVENUE

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Gross dividend from a subsidiary	–	–	2,637,922	4,946,105
Sale of processed wood products	99,394,384	67,848,761	–	–
Sale of logs	17,916,648	11,349,026	–	–
Contract fees	45,360,263	45,070,915	–	–
Road toll	12,372,754	1,326,032	–	–
Wood processing services	85,164	138,480	–	–
	175,129,213	125,733,214	2,637,922	4,946,105

4. PROFIT FROM OPERATIONS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Profit from operations is stated after charging/(crediting):				
Staff costs (Note 5)	11,507,572	9,471,173	9,364	–
Directors' remuneration (Note 6)	678,188	599,048	118,500	90,000
Auditors' remuneration	48,800	48,800	10,000	10,000
Depreciation of property, plant and equipment	12,554,767	9,566,495	–	–
Goodwill written off	–	2,925	–	–
Rental of premises	131,175	146,410	44,175	14,400
Rental of equipment	69,396	–	–	–
Rental income	(6,000)	(14,500)	–	–
Gain on disposal of property, plant and equipment	(247,354)	–	–	–
Insurance claim received	(70,189)	–	–	–

Notes To The Financial Statements

30 June 2004

5. STAFF COSTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Bonus	211,077	92,671	–	–
Employees' Provident Fund contributions	560,130	265,496	999	–
Salaries, wages and allowances	10,678,089	9,084,056	8,232	–
SOCSCO contributions	58,276	28,950	133	–
	11,507,572	9,471,173	9,364	–

6. DIRECTORS' REMUNERATION

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Directors of the Company:				
Executive:				
Bonus	70,500	49,000	–	–
Employees' Provident Fund contributions	51,368	45,228	–	–
Salaries	306,000	294,000	–	–
SOCSCO contributions	820	820	–	–
	428,688	389,048	–	–
Non-Executive:				
Bonus	21,500	–	10,500	–
Fees	228,000	210,000	108,000	90,000
	249,500	210,000	118,500	90,000
Total	678,188	599,048	118,500	90,000

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2004 RM	2003 RM
Executive directors:		
Below RM150,000	–	–
RM150,001 to RM200,000	1	1
RM200,001 to RM250,000	1	1
Non-Executive directors:		
Below RM50,000	3	3
RM50,001 to RM100,000	–	–
RM100,001 to RM150,000	1	1

Notes To The Financial Statements

30 June 2004

7. INTEREST INCOME

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Interest on:				
Advances	–	–	2,137,101	678,233
Bank savings	1,067	978	1,057	978
Deposits with licensed banks	2,476	2,564	–	–
	3,543	3,542	2,138,158	679,211

8. FINANCE COSTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Interest on:				
Revolving credits	–	272,687	–	–
Bankers' acceptances	–	3,011	–	–
Medium Term Yield Notes	1,612,091	678,233	1,612,091	678,233
Term loan	–	564,754	–	–
Bank overdrafts	–	819,484	–	–
Finance lease	–	13,491	–	–
Hire purchase	581,270	356,786	–	–
Letters of credit	37,974	39,913	–	–
Overdue accounts	481,433	392,228	–	–
	2,712,768	3,140,587	1,612,091	678,233

9. TAXATION

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Income tax:				
Malaysian income tax	1,027,850	1,029,443	140,657	260
Overprovided in prior years:				
Malaysian income tax	(16,259)	(86,278)	(260)	–
	1,011,591	943,165	140,397	260
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	282,134	418,484	–	–
(Over)/underprovided in prior year	(1,219,952)	1,617,455	–	–
	(937,818)	2,035,939	–	–
	73,773	2,979,104	140,397	260

Notes To The Financial Statements

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9. TAXATION (Cont'd)

A reconciliation of income tax expense applicable to profit 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:

	2004 RM	2003 RM
Group		
Profit before taxation	8,137,295	14,323,321
Taxation at Malaysian statutory tax rate of 28% (2003: 28%)	2,278,443	4,010,530
Effect of income subject to tax rate of 20%	(40,000)	(8,205)
Effect of income not subject to tax	(2,085,086)	(3,555,689)
Effect of expenses not deductible for tax purposes	1,156,627	1,001,291
(Over)/underprovision of deferred tax in prior years	(1,219,952)	1,617,455
Overprovision of tax expense in prior years	(16,259)	(86,278)
Tax expense for the year	73,773	2,979,104
Company		
Profit before taxation	1,917,074	4,021,626
Taxation at Malaysian statutory tax rate of 28% (2003 : 28%)	536,781	1,126,055
Effect of income not subject to tax	(738,618)	(1,384,909)
Effect of expenses not deductible for tax purposes	342,494	259,114
Overprovision of tax expense in prior years	(260)	-
Tax expense for the year	140,397	260

Unabsorbed capital and forest allowances are analysed as follows:

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Tax savings during the financial year arising from:				
Utilisation of current year capital allowances	3,851,490	2,380,157	-	-
Utilisation of unabsorbed capital allowances	-	701,710	-	-
Utilisation of unabsorbed forest allowances	14,839	1,956	-	-
Unabsorbed capital allowances carried forward	516	516	-	-
Unabsorbed forest allowances carried forward	2,303,323	1,230,843	-	-

Notes To The Financial Statements

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10. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2004	2003
Net profit for the year (RM)	8,063,522	11,344,217
Weighted average number of ordinary shares in issue	85,000,000	85,000,000
Basic earnings per share (sen)	9.5	13.4

(b) Diluted

The Group has no potential ordinary shares in issue as at the balance sheet date and therefore, diluted earnings per share has not been presented.

11. DIVIDENDS

	Amount		Net Dividends per Ordinary Share	
	2004 RM	2003 RM	2004 RM	2003 RM
Final tax exempt dividend of 2%, on 85,000,000 ordinary shares, declared on 9 February 2004 and paid on 10 March 2004	–	1,700,000	–	2.0

Notes To The Financial Statements

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12. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold Land and Buildings RM	Heavy Equipment, Motor Vehicles and Motor Launches RM	Plant and Machinery RM	Furniture, Fittings and Equipment RM	Camp Infra- structure RM	Total RM
Cost						
At 1 July 2003	26,707,694	36,916,187	30,483,731	12,714,682	7,538,759	104,361,053
Addition	853,240	15,938,860	418,885	1,320,646	2,192,209	20,723,840
Disposal	–	(1,765,000)	–	(161,000)	–	(1,926,000)
At 30 June 2004	27,560,934	51,090,047	30,902,616	3,874,328	9,730,968	123,158,893
Accumulated Depreciation						
At 1 July 2003	2,038,319	9,040,336	13,589,659	1,221,728	765,411	26,655,453
Depreciation Charge for the Year	369,434	8,461,937	2,138,988	448,028	1,182,360	12,600,744
Recognised in Income Statement (Note 4)	369,434	8,421,090	2,138,988	442,895	1,182,360	12,554,767
Capitalised in Property Developemnt Cost (Note 15)	–	40,847	–	5,133	–	45,980
Disposal	–	(726,666)	–	(16,688)	–	(743,354)
At 30 June 2004	2,407,753	16,775,607	15,728,647	1,653,068	1,947,771	38,512,846
Net Book Value						
At 30 June 2004 At cost	25,153,181	34,314,440	15,173,969	2,221,260	7,783,197	84,646,047
At 30 June 2003 At cost	24,669,375	27,875,851	16,894,072	1,492,954	6,773,348	77,705,600
Depreciation Charge for 2003						
Recognised in Income Statement (Note 4)	349,166	6,082,550	2,133,863	294,713	706,203	9,566,495

Notes To The Financial Statements

30 June 2004

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

* Analysis of Leasehold Land and Buildings:

Group	Leasehold Land RM	Buildings RM	Land Improvement RM	Total RM
Cost				
At 1 July 2003	862,305	17,441,572	8,403,817	26,707,694
Additions	–	853,240	–	853,240
At 30 June 2004	862,305	18,294,812	8,403,817	27,560,934
Accumulated Depreciation				
At 1 July 2003	–	2,038,319	–	2,038,319
Depreciation charge for the year	–	369,434	–	369,434
At 30 June 2004	–	2,407,753	–	2,407,753
Net Book Value				
At 30 June 2004:				
At cost	862,305	15,887,059	8,403,817	25,153,181
At 30 June 2003:				
At cost	862,305	15,403,253	8,403,817	24,669,375
Depreciation charge for 2003	–	349,166	–	349,166

- (a) During the financial year, the Group acquired property, plant and equipment at an aggregate cost of RM20,723,840 (2003: RM19,438,617) of which RM5,087,250 (2003: RM1,855,700) was acquired by means of finance lease arrangements. Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group	
	2004 RM	2003 RM
Heavy equipment, motor vehicles and motor launches	12,294,232	7,805,752

- (b) The financial effect of non-depreciation of long leasehold land on the financial statements of the Group as mentioned in Note 2(e) is an increase in depreciation charge of RM142,666 (2003: RM140,507).
- (c) All the property, plant and equipment have been pledged as part of the securities for Murabahah Multi-Option Notes facilities of RM60 million (2003: RM60 million) as disclosed in Note 20.

Notes To The Financial Statements

30 June 2004

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2004 RM	2003 RM
Unquoted shares, at cost	42,076,738	42,076,738

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Equity Interest Held		Principal Activities
		2004 %	2003 %	
Priceworth Industries Sdn. Bhd.	Malaysia	100	100	Manufacture and sale of processed wood products, trading of log, provision of wood processing services and rental of kiln dry machinery
Ligreen Enterprise Sdn. Bhd.	Malaysia	100	100	Log trading
Maxland Sdn. Bhd.	Malaysia	100	100	Timber extraction and land development
Cabaran Cerdas Sdn. Bhd.	Malaysia	100	100	Dormant

14. OTHER INVESTMENT

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Unquoted shares, at cost	50,000	50,000	–	–

15. PROPERTY DEVELOPMENT COSTS

	Group	
	2004 RM	2003 RM
Costs incurred during the year:		
Development costs	1,213,446	–
Property development costs at 30 June	1,213,446	–
Included in property development costs incurred during the financial year are:		
Depreciation of property, plant and equipment (Note 12)	45,980	–

Notes To The Financial Statements

30 June 2004

16. INVENTORIES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
At cost:				
Raw materials	606,143	869,947	–	–
Work-in-progress	4,152,317	3,429,978	–	–
Finished goods	9,629,647	8,649,833	–	–
Consumable goods	3,757,647	2,387,982	–	–
	18,145,754	15,337,740	–	–

There were no inventories stated at net realisable value as at 30 June 2004 (2003: Nil). The cost of inventories recognised as an expense during the financial year in the Group amounted to RM157,669,417 (2003: RM104,041,382).

17. TRADE RECEIVABLES

Included in trade receivables is an amount of RM9,398,977 (2003: RM10,466,802) due from a company in which two of the directors of the Company, Lim Nyuk Foh and Chok Syn Vun have interest. This amount is unsecured, interest-free and has no fixed terms of repayment.

The Group's normal trade credit term ranges from 60 days to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

18. OTHER RECEIVABLES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Due from a subsidiary	–	–	56,906,472	56,689,357
Advances	3,494,347	3,979,745	–	–
Deposits for supplies	21,881,330	17,332,332	–	–
Other deposits	1,390,692	983,131	8,550	5,050
Prepayments	3,240,475	2,955,975	2,426,201	2,299,072
Sundry receivables	12,707,804	14,660,998	118,667	–
	42,714,648	39,912,181	59,459,890	58,993,479

Except for an amount of RM44 million (2003: RM44 million) which bears interest at rates ranging from 4.75% to 5.10% (2003: 4.00% to 4.88%) per annum, the amount due from a subsidiary is unsecured, interest-free and has no fixed terms of repayment.

Deposits for supplies represent advances paid to log suppliers for logs to be purchased.

Included in sundry receivables and deposits for supplies of the Group is an amount of RM10,354,041 (2003: RM13,530,949) due from companies in which two of the directors of the Company, Lim Nyuk Foh and Chok Syn Vun, have interest. This amount is unsecured, interest-free and has no fixed terms of repayment.

Notes To The Financial Statements

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19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Cash on hand and at banks	2,547,595	6,355,924	104,854	65,859
Deposits with licensed banks	106,636	104,160	–	–
Cash and bank balances	2,654,231	6,460,084	104,854	65,859
Less: Bank overdraft (Note 20)	(9,657)	–	(9,657)	–
Cash and cash equivalents	2,644,574	6,460,084	95,197	65,859

Deposits with licensed banks of the Group amounting to RM24,000 (2003: RM24,000) are pledged for bank guarantees issued to government departments.

The average effective interest rate of deposits, which are renewable yearly, at the balance sheet date was 3.4% (2003: 3.6%) per annum.

20. BORROWINGS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Short Term Borrowings				
Secured:				
Hire purchase and finance lease payables (Note 21)	3,651,966	2,416,744	–	–
	3,651,966	2,416,744	–	–
Unsecured:				
Bank overdraft	9,657	–	9,657	–
	3,661,623	2,416,744	9,657	–
Long Term Borrowings				
Secured:				
Medium Term Yield Notes	44,000,000	44,000,000	44,000,000	44,000,000
Hire purchase and finance lease payables (Note 21)	3,661,340	3,391,792	–	–
	47,661,340	47,391,792	44,000,000	44,000,000

Notes To The Financial Statements

30 June 2004

20. BORROWINGS (Cont'd)

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Total Borrowings				
Bank overdraft (Note 19)	9,657	–	9,657	–
Medium Term Yield Notes	44,000,000	44,000,000	44,000,000	44,000,000
Hire purchase and finance lease payables (Note 21)	7,313,306	5,808,536	–	–
	51,322,963	49,808,536	44,009,657	44,000,000
Maturity of borrowings (excluding hire purchase and finance lease):				
Within one year	9,657	–	9,657	–
5 years or more	44,000,000	44,000,000	44,000,000	44,000,000
	44,009,657	44,000,000	44,009,657	44,000,000

The average effective interest rates at the balance sheet date for borrowings, excluding hire purchase and finance lease payables, were as follows:

	2004 %	2003 %	2004 %	2003 %
Medium Term Yield Notes	3.35 – 3.74	4.00 - 4.88	3.35 – 3.74	4.00 - 4.88

The Medium Term Yield Notes of the Company are secured by the following:

- (i) Legal charges over six parcels of leasehold land of the Group; and
- (ii) A debenture creating fixed and floating charges over all the assets of the Group, both present and future.

21. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Minimum lease payments:				
Not later than 1 year	4,083,145	2,848,004	–	–
Later than 1 year and not later than 2 years	2,602,732	2,436,056	–	–
Later than 2 years and not later than 5 years	1,540,294	1,220,194	–	–
	8,226,171	6,504,254	–	–
Less: Future finance charges	(912,865)	(695,718)	–	–
Present value of finance lease liabilities	7,313,306	5,808,536	–	–

Notes To The Financial Statements

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21. HIRE PURCHASE AND FINANCE LEASE PAYABLES (Cont'd)

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Present value of finance lease liabilities:				
Not later than 1 year	3,651,966	2,416,744	–	–
Later than 1 year and not later than 2 years	2,316,276	2,213,318	–	–
Later than 2 years and not later than 5 years	1,345,064	1,178,474	–	–
	7,313,306	5,808,536	–	–
Analysed as:				
Due within 12 months (Note 20)	3,651,966	2,416,744	–	–
Due after 12 months (Note 20)	3,661,340	3,391,792	–	–
	7,313,306	5,808,536	–	–

The hire purchase and lease liabilities bore interest at the balance sheet date at rates of between 3.5% to 6.25% (2003: 3.9% to 7.25%) per annum.

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 60 days to 90 days.

23. OTHER PAYABLES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Accruals	1,561,541	2,016,239	10,000	39,600
Deposits	144,000	141,000	–	–
Due to a director	20,000	50,000	–	–
Sundry payables	2,769,913	1,954,202	411,931	103,656
	4,495,454	4,161,441	421,931	143,256

Included in sundry payables of the Group is an amount of RM61,393 (2003: RM97,131) due to a company in which a director of the Company, Lim Nyuk Foh, has interest. This amount is unsecured, interest-free and has no fixed terms of repayment.

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24. SHARE CAPITAL

	Number of Ordinary Shares of RM0.50 Each		Amount	
	2004	2003	2004 RM	2003 RM
Authorised: At 30 June	100,000,000	100,000,000	50,000,000	50,000,000
Issued and fully paid: At 30 June	85,000,000	85,000,000	42,500,000	42,500,000

25. OTHER RESERVES (NON-DISTRIBUTABLE)

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Share premium	14,017,161	14,017,161	14,017,161	14,017,161
Reserve on consolidation	5,234,412	5,234,412	–	–
	19,251,573	19,251,573	14,017,161	14,017,161

The reserve on consolidation represents the difference between the acquisition costs and the fair values of the Group's share of the net assets of the subsidiaries acquired at the date of acquisition.

26. DEFERRED TAX

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
At 1 July	5,522,239	3,486,300	–	–
Recognised in income statement (Note 9)	(937,818)	2,035,939	–	–
At 30 June	4,584,421	5,522,239	–	–
Presented after appropriate offsetting as follows:				
Deferred tax assets	(645,074)	(344,780)	–	–
Deferred tax liabilities	5,229,495	5,867,019	–	–
	4,584,421	5,522,239	–	–

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Notes To The Financial Statements

30 June 2004

26. DEFERRED TAX (Cont'd)

Deferred Tax Liabilities of the Group:

	Property, Plant and Equipment RM
At 1 July 2003	5,867,019
Recognised in income statement	(637,524)
At 30 June 2004	5,229,495

Deferred Tax Assets of the Group:

	Unabsorbed Forest Allowances RM	Unabsorbed Capital Allowances RM	Total RM
At 1 July 2003	(344,636)	(144)	(344,780)
Recognised in income statement	(300,294)	–	(300,294)
At 30 June 2004	(644,930)	(144)	(645,074)

The unabsorbed forest and capital allowances are available indefinitely for offset against future taxable profits of the respective subsidiaries.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

Group	2004 RM	2003 RM
Purchase of logs from Teras Selasih Sdn. Bhd., a company in which two of the directors, Lim Nyuk Foh and Chok Syn Vun, have interest	76,920,118	49,016,159
Purchase of logs from Mujur Bakat Sdn. Bhd., a company in which a director, Lim Nyuk Foh, has interest	5,385,251	–
Sale of logs to Mujur Bakat Sdn. Bhd., a company in which a director, Lim Nyuk Foh, has interest	(10,026,222)	–
Contract fees received from Cergas Kenari Sdn. Bhd., a company in which two of the directors, Lim Nyuk Foh and Chok Syn Vun, have interest	(21,504,485)	(13,812,714)
Rental paid to Maxland Enterprise Sdn. Bhd., a company in which a director, Lim Nyuk Foh, has interest	60,000	60,000

Notes To The Financial Statements

30 June 2004

27. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

Company	2004 RM	2003 RM
Gross dividend from a subsidiary	(2,637,922)	(4,946,105)
Interest on advances received from a subsidiary	(2,137,101)	(678,233)

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

28. OTHER SIGNIFICANT EVENTS

- (a) On 30 October 2003 and 21 November 2003, the Company had entered into two separate conditional sale and purchase agreements and two separate supplemental agreements respectively with the vendors of Cergas Kenari Sdn. Bhd. ("CKSB") and Teras Selasih Sdn. Bhd. ("TSSB"), namely Lim Nyuk Foh, Dato' Zakhir Siddiqy bin Sidek and Chok Syn Vun ("the Vendors"), for the acquisitions of the entire issued and paid-up share capital of CKSB and TSSB for a total purchase consideration of RM75,000,000 to be satisfied by the issuance of 68,181,818 new ordinary shares of RM0.50 each in the Company ("PWP" Share") at an issue price of RM1.10 per share ("the Acquisitions").
- (b) On 30 October 2003, the Company announced the following proposals ("the Proposals"):
 - (i) the Acquisitions;
 - (ii) waiver to the Vendors from the obligation to undertake a mandatory take-over offer for all the remaining PWP Shares not already held by the vendors upon the completion of the Acquisitions;
 - (iii) listing of and quotation for the additional 68,181,818 new PWP Shares and the transfer of the entire enlarged share capital of 153,181,818 PWP Shares to the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia"); and
 - (iv) increase in the authorised share capital of the Company from RM50,000,000 comprising 100,000,000 PWP Shares to RM100,000,000 comprising 200,000,000 PWP Shares.

The Company had obtained approvals from all relevant parties for the implementation of the Proposals, save for the approval from Bursa Malaysia for the listing of and quotation for the additional 68,181,818 new PWP Shares to be issued pursuant to the Acquisitions and the transfer of the entire enlarged share capital of 153,181,818 PWP Shares to the Main Board of Bursa Malaysia.

29. SUBSEQUENT EVENT

- (a) On 30 July 2004, the Company had entered into a conditional sale of share agreement ("SSA") with Sinora Industries Berhad ("SIB") for:
 - (i) the acquisition of the entire issued and paid-up share capital of Innora Sdn. Bhd. ("ISB") comprising 2,000,000 ordinary shares of RM1.00 each for a cash consideration of RM9,519,000; and
 - (ii) the acquisition of the entire issued and paid-up share capital of Sinora Sdn. Bhd. ("SSB") comprising 10,000,000 ordinary shares of RM1.00 each for a cash consideration of RM1,000,000.

In conjunction with the SSA, the Company had on 30 July 2004 also entered into a management agreement with SIB, ISB and SSB to appoint the Company as the manager to manage the businesses and operations of ISB and SSB in accordance with the terms and conditions of the Management Agreement, pending completion of the acquisitions of ISB and SSB.

Notes To The Financial Statements

30 June 2004

30. CONTINGENT LIABILITIES

The Company has provided corporate guarantees to a subsidiary as securities for hire purchase financing facilities amounting to RM13,000,000 (2003: RM7,500,000).

The hire purchase financing facilities utilised as at balance sheet date was RM7,298,624 (2003: RM6,148,750).

31. SEGMENTAL REPORTING

No segmental information has been presented as the Group is operating principally in one industry and within one country.

32. 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 commodity price, interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Commodity Price Risk

The Group's earnings are affected by changes in the prices of its raw material and its manufactured products.

(c) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debts; the Group had no substantial long term interest-bearing assets as at 30 June 2004.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

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

(d) Foreign Exchange Risk

The Group operates internationally and is exposed mainly to the United States Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

Material foreign exchange transaction exposures are not hedged currently due to the Malaysian Ringgit being pegged to the United States Dollar.

(e) Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Notes To The Financial Statements

30 June 2004

32. FINANCIAL INSTRUMENTS (Cont'd)

(f) Credit Risk

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

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(g) Fair Values

The carrying amounts of financial assets of the Company at the balance sheet date approximated their fair values except for the following:

Note	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Asset				
At 30 June 2004:				
Amount due from a subsidiary	18	–	–	56,906,472
At 30 June 2003:				
Amount due from a subsidiary	18	–	–	56,689,357

* It is not practicable to estimate the fair value of amount due from a subsidiary due principally to a lack of fixed repayment term entered into by the parties involved and without incurring excessive costs.

The nominal/notional amount and net fair value of financial instruments not recognised in the balance sheets of the Group and of the Company as at the end of the financial year are:

Note	Group		Company	
	Nominal/ Notional Amount RM	Fair Value RM	Nominal/ Notional Amount RM	Fair Value RM
At 30 June 2004:				
Contingent liabilities	30	7,298,624	#	7,298,624
At 30 June 2003:				
Contingent liabilities	30	6,148,750	#	6,148,750

It is not practicable to estimate the fair values of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

Notes To The Financial Statements

30 June 2004

32. FINANCIAL INSTRUMENTS (Cont'd)

(g) Fair Values (Cont'd)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(ii) Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Interest-Bearing Borrowings

The carrying values are deemed to equal to fair values, which the Group estimated based on incremental rates of comparable borrowing arrangements.

List Of Properties

No.	Registered Owner/ Location	Land Area (acres)	Description and Existing Use	Built-up Area (sq. ft.)	Lease Tenure from / to	Approximate Age of Building
Priceworth Industries Sdn Bhd						
1.	C.L. 075365794 Sungai Seguntor, Sandakan	15.12	- Generating Sets Room - Kiln Dry - Sawmill & Sawroom - Warehouse	3,858 65,000 32,620 121,000	01-01-1979/ 31-12-2077	10 10 10 9
2.	C.L. 075203726 Sungai Seguntor, Sandakan	11.64	Moulding plant Main Factory	104,840	01-01-1964/ 31-12-2063	10
3.	C.L. 075365785 Sungai Seguntor, Sandakan	15.29	- Impregnation Plant - Warehouse - Workshop	4,500 20,000 4,800	01-01-1979/ 21-12-2077	7 9 10
4.	C.L. 075170277 Sungai Seguntor, Sandakan	14.06	Labour Quarters	54,000	01-01-1960/ 31-12-2059	10
5.	C.L. 075364948 Sungai Seguntor, Sandakan	17.88	Agricultural Land	–	01-01-1979/ 31-12-2077	N/A
6.	C.L. 075170286 Sungai Seguntor, Sandakan	7.03	Labour Quarters	12,000	01-01-1961/ 31-12-2060	10
		81.02		422,618		
Maxland Sdn Bhd						
7.	C.L. 075313398 Mile 17, Jalan Labuk, Sandakan	14.24	Agricultural Land	–	01-01-1970/ 31-12-2069	N/A
		14.24		–		
		95.26		422,618		

Analysis Of Shareholdings

As At 31 October 2004

Authorised share capital	:	RM50,000,000
Issued and fully paid shares	:	RM42,000,000
Class of shares	:	Ordinary shares of RM0.50 each
Voting rights	:	One vote per ordinary share
Total no. of shareholders	:	6281

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
less than 100	3	0.05	31	0.00
100 to 1,000	1,695	26.99	1,631,869	1.92
1,001 to 10,000	3,695	58.83	16,290,900	19.16
10,001 to 100,000	822	13.09	23,687,600	27.87
100,001 and less than 5%	64	1.01	25,889,600	30.46
5% and above	2	0.03	17,500,000	20.59
Total	6,281	100.00	85,000,000	100.00

SUBSTANTIAL SHAREHOLDERS WITH HOLDINGS OF 5% AND ABOVE AS AT 31 OCTOBER 2004

No.	Names	No. of Shares Held			
		Direct	%	*Deemed Interest	%
1.	Lim Nyuk Foh	152,480	0.18	22,500,000	26.47

Note:

* Held by authorised nominee companies

LIST OF DIRECTORS' REGISTERED SHAREHOLDINGS AS AT 31 OCTOBER 2004

No.	Names	No. of Shares Held			
		Direct	%	*Deemed Interest	%
1.	Lim Nyuk Foh	152,480	0.18	22,500,000	26.47
2.	Ramlee Bin Mohd Shariff	20,000	0.02	2,446,000	2.88
3.	Chok Syn Yun	–	–	951,000	1.12
4.	Tan Sri Sabbaruddin Chik	1,020,000	1.20	–	–
5.	Kwan Tack Chiong	–	–	–	–
6.	Ooi Jit Huat	6,000	0.01	–	–

Note:

* Held by authorised nominee companies.

Analysis Of Shareholdings

As At 31 October 2004

LIST OF THIRTY (30) TOP SHAREHOLDERS AS AT 31 OCTOBER 2004

No.	Name	Shareholdings	%
1.	Sabah Development Nominees (Tempatan) Sdn Bhd [Pledged securities account for Lim Nyuk Foh]	12,000,000	14.12
2.	Southern Nominees (Tempatan) Sdn Bhd [Pledged securities account for Lim Nyuk Foh]	5,500,000	6.47
3.	Cimsec Nominees (Tempatan) Sdn Bhd [Danaharta Urus Sdn Bhd for Lim Nyuk Foh]	3,000,000	3.53
4.	HDM Nominees (Asing) Sdn Bhd [DBS Vickers Secs (S) Pte Ltd for River Estates Incorporated]	2,000,000	2.35
5.	Southern Nominees (Tempatan) Sdn Bhd [Pledged securities account for Lim Nyuk Koh]	2,000,000	2.35
6.	Citicorp Nominees (Tempatan) Sdn Bhd [Pledged securities account for Ramlee Mohd Shariff]	1,975,000	2.32
7.	Mainur Bin Bakar	1,894,000	2.23
8.	BHLB Trustee Berhad [TA Comet Fund]	1,772,400	2.09
9.	BHLB Trustee Berhad [TA Small Cap Fund]	1,593,000	1.87
10.	Tan Sri Sabbaruddin Chik	1,020,000	1.20
11.	OSK Nominees (Tempatan) Sdn Bhd [EON Finance Berhad for Chok Syn Vun]	593,000	0.70
12.	Chong Liouk	420,000	0.49
13.	Leong Chee Wooi	400,000	0.47
14.	RHB Capital Nominees (Tempatan) Sdn Bhd [Pledged securities account for Lee Fook Khiong]	395,000	0.46
15.	Amsec Nominees (Tempatan) Sdn Bhd [Pledged securities account for Ramlee Mohd Shariff]	381,000	0.45
16.	Cimsec Nominees (Tempatan) Sdn Bhd [CIMB for Ng Ying Loong]	378,000	0.44
17.	Public Nominees (Tempatan) Sdn Bhd [Pledged securities account for Chok Syn Vun]	358,000	0.42
18.	Tan Geok Siew	280,000	0.33
19.	Chiew Boon Chin	274,500	0.32

Analysis Of Shareholdings

As At 31 October 2004

LIST OF THIRTY (30) TOP SHAREHOLDERS AS AT 31 OCTOBER 2004 (Cont'd)

No.	Name	Shareholdings	%
20.	Citicorp Nominees (Tempatan) Sdn Bhd [Pledged securities account for Ng Geok Lian]	271,300	0.32
21.	Sierramont Development Sdn Bhd	255,400	0.30
22.	RHB Capital Nominees (Tempatan) Sdn Bhd [Pledged securities account for Sin Huan Kwang]	245,400	0.29
23.	Chong Yean Kiong	240,000	0.28
24.	Yeoh Chow Tee	236,000	0.28
25.	Ismail Sabri Bin Yaakob	232,000	0.27
26.	Chung Soon Nam	217,000	0.26
27.	Mai Shang Sdn Bhd	196,900	0.23
28.	Lim Huat Beng	178,000	0.21
29.	Noor Zahidi Bin Omar	176,000	0.21
30.	TA Nominees (Tempatan) Sdn Bhd [Pledged securities account for Tan Geok Siew]	175,000	0.21



Priceworth Wood Products Berhad (399292-V)
(Incorporated in Malaysia)

PROXY FORM

No. of shares held	
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I/We,
of
being a member of Priceworth Wood Products Berhad hereby appoint
of
.....
or failing him/her
of

as my/our proxy to vote for me/us on my/our behalf at the Eighth Annual General Meeting of the Company to be held at the Boardroom 1, Level 1 of Sabah Hotel, Mile 1, Jalan Utara, 90000 Sandakan, Sabah on 10 December 2004 at 9.30 a.m. and at any adjournment thereof.

My/Our proxy to vote as indicated below:

		For	Against
Resolution 1	Adoption of Audited Financial Statements Accounts for the financial year ended 30 June 2004 and the Reports of the Directors and Auditors thereon.		
Resolution 2	To approve the payment of a first and final tax-exempt dividend of 1.5 sen in respect of the financial year ended 30 June 2004.		
Resolution 3	To approve the payment of Directors' Fees.		
Resolution 4	Re-election of Mr Kwan Tack Chiong.		
Resolution 5	Re-election of Mr Ooi Jit Huat.		
Resolution 6	Re-appointment of Auditors and to authorise the Board of Directors to fix their remuneration.		
Resolution 7	Authority to allot shares pursuant to Section 132D of the Companies Act, 1965.		

Please indicate with an "x" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/ she thinks fit.

Dated this day of 2004

.....
Signature:
Shareholder or Common Seal

Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
- Where a member appoints 2 or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.*
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 5, 1st Floor, Block No. 4, Bandar Indah, Mile 4, Jalan Utara, P. O. Box 2848, 90732 Sandakan, Sabah not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*



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Affix
Stamp
Here

The Secretary
PRICEWORTH WOOD PRODUCTS BERHAD (399292-V)
Lot 5, 1st Floor, Block No. 4
Bandar Indah, Mile 4, Jalan Utara
P. O. Box 2848
90732 Sandakan
Sabah

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