



ANNUAL REPORT 2014 | NURTURING SUSTAINABLE GROWTH



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Wong See Ming

(Chief Executive Officer)

Mr. Chang Chee Ching

(Executive Director)

Datuk John Datuk John Maluda @ Wanji

(Independent Non- Executive Director)

Mr. Paulinus Mojiun

(Independent Non- Executive Director)

Mr. Wong Wee Kean

(Independent Non- Executive Director)

AUDIT COMMITTEE

Mr. Paulinus Mojiun (Chairman)

Datuk John Maluda @ Wanji

Mr. Wong Wee Kean

REMUNERATION COMMITTEE

Mr. Paulinus Mojiun (Chairman)

Datuk John Maluda @ Wanji

Mr. Wong Wee Kean

INVESTMENT COMMITTEE

Mr. Wong See Ming (Chairman)

Mr. Wong Wee Kean

NOMINATION COMMITTEE

Mr. Paulinus Mojiun (Chairman)

Datuk John Maluda @ Wanji

Mr. Wong Wee Kean

COMPANY SECRETARY

Encik Mohd Zakie Bin Soad

(LS 0008268)

PRINCIPLE PLACE OF BUSINESS

Operation Office

56km, Jalan Kimanis, Beaufort Highway,

Kimanis, P.O. Box 362, 89608 Papar,

Sabah, East Malaysia

Tel : +6(088) 911 288

Fax : +6(088) 913 910

Administration and Marketing Office

Lot No. 9, Block E, 1st Floor,

Lintas Jaya New Uptownship.

Jalan Lintas Highway, 88300 Kota Kinabalu,

Sabah, East Malaysia

Tel : +6(088) 728 197

Fax : +6(088) 726 197

Email : mgmtkk@nwp.com.my

marketing@nwp.com.my

Head Office

B-2-08, Jalan SS6/20

Dataran Glomac, Kelana Jaya

47301, Petaling Jaya, Selangor Darul Ehsan

Tel : +6(03) 7880 1155

Fax : +6(03) 7880 1115

Email : info@nwp.com.my

Website : www.nwp.com.my

REGISTERED OFFICE

Unit 1119, 11th Floor, Block A,

Damansara Intan, No. 1, Jalan SS20/27,

47400 Petaling Jaya,

Selangor Darul Ehsan

Tel : +6(03) 7118 2892/3

Fax : +6(03) 7118 7799

REGISTRAR

Symphony Share Registrars Sdn Bhd

Level 6 Symphony House

Pusat Dagangan Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya, Selangor Darul Ehsan

Tel : +6(03) 2721 2222

Fax : +6(03) 2721 2530

AUDITORS

Messrs. T.H. Kuan & Co.

SOLICITORS

Shui-Tai Advocates & Solicitor

Weng Seng & Co Advocates & Solicitors

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Main Board)

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Company will be held at The View Room (11th Floor), The Royale Bintang Damansara, 6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26th February 2015 at 9.00 a.m. for the following purposes: -

1. To receive the Audited Financial Statements of the Company for the year ended 31st August 2014 together with the Reports of the Directors and Auditors thereon. **(RESOLUTION 1)**
2. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:-
 - a) Mr. Chang Chee Ching (Article 84) **(RESOLUTION 2)**
 - b) Mr. Wong See Ming (Article 77) **(RESOLUTION 3)**
3. To reappoint Messrs. T.H. Kuan & Co. as the Company's Auditors and to authorize the Directors to fix their remuneration **(RESOLUTION 4)**

AS SPECIAL BUSINESS: -

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

4. **Authority to issue shares pursuant to Section 132D of the Companies Act, 1965. (RESOLUTION 5)**

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, where required, the Directors be and are hereby authorized to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND FURTHER THAT the Directors of the Company whether solely or jointly, be authorized to complete and do all such acts and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate."

5. To transact any other ordinary business of the Company for which due notice shall have been given.

By Order of the Board

MOHD ZAKIE BIN SOAD
(LS 0008268)

Company Secretary
04th February 2015
Selangor Darul Ehsan

Notice Of Fifteenth Annual General Meeting (Continued)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A member may appoint not more than two (2) proxies to attend and vote at the meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or if such appointer is a corporation, it must be either under its seal or under the hand of an officer or attorney duly authorized.
5. The instrument appointing the proxy must be deposited at the Registered Office of the Company at Unit 1119, 11th Floor, Block A, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

Explanatory Notes for the Special Business: -

6. The proposed Resolution No. 5, is seek a renewal of the general mandate for the directors of the Company to allot and issue shares in the Company up to an account not exceeding 10% of the total issued capital of the Company for the time being for such purpose as the Directors consider would be in the best interests of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.

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

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

STATEMENT ACCOMPANYING NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

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

1. The following directors are standing for re-election at the 15th Annual General Meeting: -

Pursuant to Article 84 of the Company's Articles of Association

Mr. Chang Chee Ching

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

Mr. Wong See Ming

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

a) Mr. Chang Chee Ching

Ordinary shares	:	53,340 (Direct)
		224,668 (Indirect)

b) Mr. Wong See Ming

Ordinary shares	:	19,407,000 (Direct)
		160,355,996 (Indirect)
		27,000,000 (Indirect)

CHIEF EXECUTIVE OFFICER STATEMENT

DEAR VALUED SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS OF NWP HOLDINGS BERHAD, IT GIVES ME GREAT PLEASURE TO PRESENT THE ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENT OF NWP HOLDINGS BERHAD GROUP (NWPB OR THE GROUP) FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2014.

During the year under review uncertainty in the global economy once again affected the timber market globally with the main buyers in Europe and the US trading cautiously with the slow recovery. The market was further affected by the slowdown of the economy of China which recorded reduced growth rate for 2014.

Despite the lackluster performance of the global economy, China being the second largest economy in the world, has continued purchasing processed timber products for its continuous development projects, ensuring that the timber industry in Malaysia remained stable albeit resilient due to competition from other semi-timber products.

GROUP FINANCIAL PERFORMANCE

During the financial year under review, I am pleased to announce that the Group registered an increase revenue of RM8.97 million compared to RM4.08 million recorded in 2013. However, the after tax loss for the financial year under review has increased to RM3.67 million as compared to a loss of RM2.54 million in the previous financial year due to additional costs incurred in mobilizing the plant and equipment to cater for increase orders.

The Group's turnover was mainly from its core activities, with export contributing RM6.18 million. The agriculture division which involves the supply of seedlings had its first sale during the year of RM0.74 million, whilst other sectors which the Group is involved in were rather inactive.

PROSPECTS

Going forward, the operating environment for the Group's business is expected to remain challenging due to uncertainties surrounding the recovery of the global economy, in particular the slow pace in resolving the European debt crisis, and the slowdown in China's economic growth. Taking cognizance of the challenges, the Group has started looking into the potential contribution of its agriculture related activities for rubber seedlings, for the Rubber Replanting Program in Sabah.

The Group is also placing focus on its core activities of timber moulding and related activities especially on rubber wood since normal timber with its high price and shortage in supply. In addition thereto, the demand for processed rubber wood remains strong but very competitive. Due to the replanting program for rubber trees in Sabah, it is anticipated that supply of logs from the replanting program would provide sufficient supplies to meet market demand.

Apart from the above, the Group is also looking into other opportunities to venture into to enhance shareholders' value and the future business of the Group. Whilst uncertainty with the global economy remains, although it seems to be on the mend, our Board of Directors is cautiously optimistic that performance would improve with strategies put in place to enhance productivity and costs reduction in the coming financial year.

Chief Executive Officer Statement (Continued)

CORPORATE GOVERNANCE

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

DIVIDENDS

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

ACKNOWLEDGEMENT

On behalf of the Board of Directors, we would like to take this opportunity to convey our sincere appreciation to Mr. Leong Hock Cheong who resigned as a director of the Company on 31st October 2014 for his invaluable contribution to the Group during his tenure of office. We wish him well in his future endeavors.

We also take this opportunity to express our sincere gratitude and thanks to the management and staff of the Group for their dedicated and diligent services to the Group. We also wish to express our utmost appreciation to all our business associates, stakeholders and shareholders including Regulatory Authorities for their invaluable support and cooperation.

Thank you.

Wong See Ming
Chief Executive Officer

PROFILE OF MEMBERS OF BOARD OF DIRECTORS

WONG SEE MING

Chief Executive Officer

Malaysian, aged 48, was appointed to the Board of Directors on 29 January 2001 as the Executive Director of the Company. On 18th August 2008, Mr. Wong was redesigned as the Chief Executive Officer of the Group. He has also taken over the Chairmanship of the Investment Committee as on 28th October 2008.

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

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

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

He has attended all five (5) Board Meetings and Audit Committee Meetings held in the financial year ended 31st August 2014.

Mr Wong See Ming directly holds the paid up capital 6.06% of the Company and he also has an indirect interest in the Company through Sepang Heights Sdn Bhd. He is also the director of the Company.

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

PAULINUS MOJIUN

Independent and Non-Executive Director

Malaysian, aged 61, is an Independent and Non-Executive Director of the Company, appointed to the Board of Directors on 16 July 2013.

Mr. Paulinus Mojiun is a member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

He worked with Sabah Urban Development Corporation (a subsidiary of Sabah Economic Development Corporation) for more than 20 years and served in various capacities. His last position was as Senior Manager (Finance).

Presently, he is also a Board Member of Lembaga Koko Malaysia. He was a member and past President of the Rotary Club of Penampang. He was also Treasurer of the Board of Governors of SM St. Michael's School, Penampang, Sabah. He served as Council Member of the Penampang District Council for three (3) years until 2013.

Mr. Paulinus Mojiun is the Chairman of the Audit Committee, Nomination Committee, and Remuneration Committee of the Company. He has attended Board (5) Board Meetings and Audit Committee Meetings held in the financial year ended 31 August 2014.

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

Profile Of Members Of Board Of Directors (Continued)

DATUK JOHN MALUDA @ WANJI

Independent and Non-Executive Director

Malaysian, aged 64, is an Independent and Non-Executive Director of the Company, appointed to the Board of Directors on 01 February 2008.

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

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

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

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

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

Datuk John is a member of the Audit Committee, Nomination Committee, and Remuneration Committee of the Company. Since his appointment, he has attended four (4) Board Meetings and Audit Committee Meetings held in the financial year ended 31st August 2014.

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

WONG WEE KEAN

Independent Non-Executive Director

Malaysian, aged 53, an Independent Non-Executive Director, was appointed to the Board of Director on 23 August 2007. He holds a Bachelor of Art Degree in Business Administration from Eastern Washington University, U.S.A. He has more than 25 years of working experience, predominantly in quality assurance and quality control, in various industries such as in construction and engineering.

He is a member of the Audit Committee, Nomination Committee, and Remuneration Committee of the Company. He has attended all four (4) Board Meetings and Audit Committee Meetings held in the financial year ended 31st August 2014. He holds 16,000 Ordinary Shares directly in the Company.

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

Profile Of Members Of Board Of Directors (Continued)

CHANG CHEE CHING

Executive Director

Malaysian, Age 59, is an Executive Director of the Company, appointed to the Board of Directors on 17th December 2014.

He is a member of the Malaysia Institute of Accountants, Malaysia Institute of Certified Public Accountants, The Chartered Tax Institute of Malaysia and Fellow Member of The Chartered Association of Certified Accountants (U.K.).

He is an approved licensed Auditor, Liquidator and Tax Agent and he received his tertiary education in Luton College of Technology, U.K.

He was trained in the United Kingdom as an Accountant and returned to Malaysia in 1980 and where he worked in a medium sized audit firm and went on to become a partner of the firm in 1985. He is currently the sole practitioner of the firm which emphasizes on offering services in audit, taxation and insolvency to clients, taking up challenges in this ever changing and fast pace business environment.

Between 1998 to 2004, he was the Group Managing Director of Bright Packaging Industry Berhad, a public company listed on the Second Board of Bursa Malaysia involved in the manufacture of packaging materials with subsidiaries in the print and packaging industry and optical fibre, servicing multi-national clientele worldwide.

He directly holds 0.02% Ordinary Shares in the Company and 224,668 Ordinary Shares Indirectly in the Company.

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

AUDIT COMMITTEE REPORT

The Board of Directors of NWP Holdings Berhad is pleased to present the report of the Audit Committee of the Company for the financial year ended 31st August 2014.

COMPOSITION OF MEMBERS

1. MEMBERS

The Audit Committee presently comprises the following members who are all independent and non-executive directors: -

Name of Member	Position
Mr. Paulinus Mojiun	Chairman (<i>Independent Non-Executive Director</i>) - Appointed on 16 th July 2013
Datuk John Maluda	Member (<i>Independent Non-Executive Director</i>) - Appointed on 04 th February 2008
Mr. Wong Wee Kean	Member (<i>Independent Non-Executive Director</i>) - Appointed on 23 rd August 2007

2. MEETINGS

During the financial year ended 31st August 2014, the Audit Committee held a total of five (5) meetings. The date of meeting and details of attendance by each member at the Committee meetings during the year are as follows: -

Dates of Meeting Held

31st October 2013
20th December 2013
22nd January 2014
29th April 2014
30th July 2014

Name of Member	Meetings Attended	% of Attendance
Mr. Paulinus Mojiun	5 / 5	100%
Datuk John Maluda @ Wanji	4 / 5	80%
Mr. Wong Wee Kean	4 / 5	80%

3. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

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

- a) Reviewed the quarterly unaudited financial results and announcements for each quarter prior to submission to the Board for their consideration and approval;
- b) Reviewed the internal audit function and risk management needs, programme and plans for the financial period under review and annual assessment of the internal audit function and risk management performance;
- c) Reviewed the internal audit reports presented by internal audit function and risk management on findings and recommendations with regard to system and control weaknesses noted in the course of their audit and Management's responses thereto and ensuring material findings are adequately addressed by Management;
- d) Reviewed the Group's operations which had a significant impact on the results of the Group including enhancement and further investment in existing business, cost rationalization measures and human resource development;
- e) Reviewed the Group's compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB") and other relevant legal and regulatory requirements;
- f) Reviewed the Group's status of compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement pursuant to the requirement of Paragraph 15.25 of the Bursa Malaysia Securities Berhad Revamped Listing Requirements before recommending them to the Board action plans and the prescribed corporate governance principles and best practices under the Code;
- g) Discussed and reviewed with the External Auditors, their terms of engagement, proposed audit fees, audit plan and approach for the financial year ended 31 August 2014 to ensure that their scope of work adequately covers the activities of the Group;
- h) Discussed and reviewed the issues arising from the audit of the financial year end statements and issues highlighted by the External Auditors to the committee;
- i) Evaluated the overall effectiveness of the system of internal controls through a review of the results of work performed by Internal and External Auditors and discussions with key senior management;
- j) Reviewed the External Auditors' Report for financial year ended 31 August 2013 in relation to audit and accounting issues arising from the audit and updates of new developments on Financial Reporting Standards issued by the Malaysian Accounting Standards Board ("MASB") and other relevant legal and regulatory requirements together with the External Auditors;
- k) Reviewed the Audit Committee Report, Corporate Governance Statement and Statement on Risk Management and Internal Control and its recommendation to the Board for approval prior to their inclusion in the 2013 Annual Report;
- l) Reviewed the performance of the External Auditors before recommending to the Board to propose the re-appointment to the members; and
- m) Reviewed related party transactions, if any, which may arise within the Group.

Audit Committee Report (Continued)

TERMS OF REFERENCE

1. Objectives

The primary objective of the Audit Committee is to assist the Board of Directors ("the Board") of NWP Holdings Berhad ("the Company") in discharging its statutory duties and responsibilities for corporate governance, timely and accurate financial reporting and adequacy of internal controls within the Company and its subsidiaries, NWP Industries Sdn. Bhd., DMKT Timber Sdn Bhd, NWP O&M Sdn Bhd and NWP Builder Sdn Bhd ("the Group"). Specifically, the Audit Committee shall: -

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

2. Composition

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

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

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

The Chairman of the Audit Committee shall be elected from amongst the members and he shall be an Independent Director. If a member of the Audit Committee resigns or for any reason ceases to be a member which results in the number of members being less than the required number of three (3), resulting in the non-compliance of subparagraph 15.09(1) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements, the Company shall within three (3) months of that event, appoint such number of the new members as may be required to make up the minimum three (3) members.

The Board shall review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

3. Secretary to the Audit Committee

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

4. Meetings

- a) Meetings shall be held regularly and not less than four (4) times a year or once every quarter or more frequently as circumstances requires.
- b) Written notice of the meeting together with the agendas shall be given to the members of the Committee and External Auditor, where applicable, at least seven (7) days prior to the meeting.
- c) Quarterly results and annual financial statements shall be reviewed by the Audit Committee prior to submission to the Board for approval and subsequent release to Bursa Securities Berhad.
- d) The Financial Controller, the Head of Internal Audit and a representative of the external auditors should normally attend meetings. Other board members may attend meetings upon the invitation of the Audit Committee.
- e) The Audit Committee should meet with the external auditors without executive board members present at least twice a year.
- f) The quorum for each meeting shall be two. The majority of members present to form a quorum must be Independent Directors. Decision shall be by a simple majority.
- g) The Company Secretary shall be the Secretary of the Committee. The Secretary shall circulate the minutes of meetings of the Committee to all member of the Board.
- h) The Committee's actions shall be reported to the Board of Directors with such recommendations, as the Committee deemed appropriate.

5. Rights of Audit Committee

The Audit Committee was appointed under Chapter 15, Part C, Paragraph 15.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Committee shall, in accordance with the procedure determined by the Board and at the expense of the Company,

- a) Be authorized to investigate any activity within its terms of reference and shall have unrestricted access to the External Auditors and to all employees of the Group. All employees shall be directed to co-operate as requested by members of the Audit Committee;
- b) Obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise, if necessary;
- c) To have full and unrestricted access to information pertaining to the Company or the Group;
- d) To have direct communications channels with the external auditors and person(s) carrying the internal audit function or activity;
- e) Provided with adequate resources which are reasonably required to enable it to perform its duties and responsibilities;

Audit Committee Report (Continued)

- f) Be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the Executive Directors and Management, whenever deemed necessary.
- g) Meet regularly, with due notice, on issues to be discussed and record its conclusion in discharging its duties and responsibilities.

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

6. Functions and Duties of Audit Committee

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

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

- a) To review the accounting policies adopted, any changes in accounting principles or practices and the level of prudence applied in areas requiring judgment;
- b) To review the External Auditor report on the financial statements;
- c) To review with the External Auditors, the overall scope of the external audit and discuss the results of their examination and their evaluation of the internal control system;
- d) To discuss problems and reservations arising from the interim and final external audits, and any matter the external auditors may wish to discuss (in the absence of management, where necessary);
- e) To review the External Auditors' management letter and Management's response thereto;
- f) To review the quarterly and audited financial reports of the Company and the Group prior to submission to the Board for approval and subsequent release to Bursa Malaysia Securities Berhad, focusing on: -
 - i. Going concern assumption;
 - ii. Compliance with accounting standards, other statutory and legal requirements;
 - iii. Any changes in or implementation of major accounting policies and practices;
 - iv. Significant issues arising from the audit and unusual events;
 - v. Major judgmental areas.
- g) To review interim financial information and press releases of financial content;
- h) To review any significant transactions which are not a normal part of the Company's business;
- i) To review any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of control that raises questions of management integrity;

- j) To recommend to the Board of Directors the appointment, resignation and termination of the External Auditors and the audit fee thereof;
- k) To do the following, in relation to the internal audit function: -
 - i) Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - ii) Review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - iii) Review any appraisal or assessment of the performance of members of the internal audit function;
 - iv) Approve any appointment or termination of senior staff members of the internal audit function; and
 - v) Take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit their reasons for resigning.
- l) To consider the major findings of internal investigations and management's response;
- m) To report promptly such matter to Bursa Malaysia Securities Berhad where the audit committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements; and
- n) Such other responsibilities as may be agreed to between the Audit Committee and the Board of Directors.

INTERNAL AUDIT FUNCTION

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

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

- a) Appraising the adequacy and effectiveness of systems of risk management and internal control;
- b) Ascertaining the extent of compliance with Group's plans, policies, standards, procedures and adherence to all applicable laws and regulations, guidelines and directives;
- c) Reviewing the extent to which the Group's assets and interest are accounted for and safeguarded from losses of all kinds;

Audit Committee Report (Continued)

- d) Reviewing the integrity of computer systems, to ascertain that adequate controls are in place to minimize the vulnerability of information and to provide the necessary protection against possible embezzlement of funds and errors;
- e) Reviewing operations so that resources are utilized in the most efficient, effective and economic manner;
- f) Reviewing the reliability and integrity of financial and operational information; and
- g) Conducting special reviews of investigations as requested by Management or by the Audit Committee.

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

The total costs incurred for internal audit function of the Group in respect of the financial period from 1st September 2013 to 31st August 2014 amounted to RM45,000.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (“the Board”) of NWP Holdings Berhad (“the Company”) recognizes that the practice of good corporate governance in conducting the business and affairs of the Group with integrity, transparency and professionalism are key components for the Group’s continued growth and success. These will not only safeguard and enhance shareholders value but will at the same time ensure that the interests of other stakeholders are protected.

The Group endeavors to comply with all the board principles and best practice as set out in the Malaysian Code on Corporate Governance (“the Code”).

The Board is pleased to disclose below the manner in which the Group has applied the Principles of good corporate governance and extent of its compliance with the Recommendations based on the Code for the financial 31st August 2014.

THE BOARD OF DIRECTORS

Board Composition / Board Balance

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

The Board comprises five (5) members, namely the Chief Executive Officer, one (1) Executive Directors, and three (3) Independent Non-Executive Directors. The current Board composition complies with the “Malaysian Code on Corporate Governance” as amended on 1st October 2007, which requires at least three Non-Executive Directors to sit on the Audit Committee and a majority of whom are Independents.

The Chief Executive Officer is responsible to the Board for the management and performance of the Group’s businesses within the framework of the Group’s policies, reserved powers and routine reporting requirements. He has overall responsibility for the operational activities of the Group and implementation of the Board’s strategies, policies and decisions. He is responsible for ensuring the Board meets regularly and ensure its effectiveness and standards of conduct. He has authority over the general agenda for each Board meeting to ensure that all Directors are provided with relevant information on a timely basis. The general agenda may include minutes of prior meetings of the Board, review of the Group’s quarterly financial reports, proposal papers from the management, matters requiring the Board’s deliberation and approval, and other reports.

The Executive Director assist and support the Chief Executive Officer in his primary responsibility for managing the Group’s business and resources.

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

A brief profile of each Director is presented on pages 7 to 9 of this Annual Report.

Board Meetings

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

Statement On Corporate Governance (Continued)

Attendance of Board Meetings

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

Board of Directors	Status of Directorship	Date of Appointment	Attendance	% of Attendance
Mr. Wong See Ming	Chief Executive Officer	29-01-2001	5 / 5	100%
Chang Chee Ching	Executive Director	17-12-2014	0 / 5	0%
Mr. Paulinus Mojiun	Independent Non-Executive Director	16-07-2013	5 / 5	100%
Datuk John Maluda	Independent Non-Executive Director	04-02-2008	4 / 5	80%
Mr. Wong Wee Kean	Independent Non-Executive Director	23-08-2007	4 / 5	80%

Appointment and election to the Board

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

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

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

Re-election

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

The Articles further provides that all newly appointed Directors who are appointed by the Board shall retire from office but shall be eligible for re-election in the next Annual General Meeting subsequent to their appointment. This provides an opportunity for shareholders to renew the mandates of each Director.

Directors' Training

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

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

Statement On

Corporate Governance (Continued)

The Board is also regularly updated by the Company Secretary on the latest updates on Bursa Securities Listing Requirements and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

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

Trainings, conference and seminars attended by Directors comprised the following: -

- a) Strategic Business Realignment in light of goods and services tax (GST) – Attended by Mr. Wong See Ming
- b) Strategic Business Realignment in light of goods and service tax (GST) – Attended by Datuk John Maluda @ Wanji
- c) Strategic Business Realignment in light of goods and service tax (GST)- Attended by Wong Wee Kean
- d) Audit Committee Conference and Strategic Business Realignment in light of goods and service tax (GST) – Attended by Paulinus Mojiun

Supply of Information

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

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

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

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

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

Board Duties and Responsibilities

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

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

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

Statement On Corporate Governance (Continued)

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

Board Committees

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

Committees	Nos. of meetings held	Chaired by
(i) Audit Committee	5 meetings	Mr. Paulinus Mojiun <i>Independent Non-Executive Director</i>
(ii) Nomination Committee	1 meeting	Mr. Paulinus Mojiun <i>Independent Non-Executive Director</i>
(iii) Remuneration Committee	1 meeting	Mr. Paulinus Mojiun <i>Independent Non-Executive Director</i>
(iv) Investment Committee	1 meeting	Mr. Paulinus Mojiun (Chief Executive Officer)

(i) Audit Committee

The Audit Committee comprises three All Non-Executive Directors.

(ii) Nomination Committee

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

Members	Designation
Mr. Paulinus Mojiun	Chairman (<i>Independent Non-Executive Director</i>)
Datuk John Maluda	Member (<i>Independent Non-Executive Director</i>)
Mr. Wong Wee Kean	Member (<i>Independent Non-Executive Director</i>)

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

- a) To recommend to the Board, suitable candidates for new appointment as Director(s) to the Board (if and when necessary).

Statement On Corporate Governance (Continued)

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

(iii) Remuneration Committee

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

Members	Designation
Mr. Paulinus Mojiun	Chairman (<i>Independent Non-Executive Director</i>)
Datuk John Maluda	Member (<i>Independent Non-Executive Director</i>)
Mr. Wong Wee Kean	Member (<i>Independent Non-Executive Director</i>)

The Remuneration Committee, which comprises entirely Non-Executive Directors, has been set up to perform the following function: -

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

The Remuneration Committee met once during the financial year under review.

(iv) Investment Committee

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

Members	Designation
Mr. Wong See Ming	Chairman (<i>Chief Executive officer</i>)
Mr. Wong Wee Kean	Member (<i>Independent Non-Executive Director</i>)

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

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

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

Statement On Corporate Governance (Continued)

DIRECTORS' REMUNERATION

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

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

Board of Directors	Directors' Fees	Directors' Salaries, Emoluments & Allowances	Total
Executive Directors	15,000	231,450	246,450
Non-Executive Directors	72,000	-	72,000
Total	87,000	231,450	318,450

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

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

INVESTORS AND SHAREHOLDERS RELATIONSHIP

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

The Group has an interactive website available at <http://www.nwp.com.my> to communicate with investors and the investing public. The website is being used as a forum to answer inquiries and provide information on the activities of the Group. In compliance with the Listing Requirements of Bursa Securities, all announcements made the Company to Bursa Malaysia, with effect from January 2009, such as the Group's quarterly results, annual reports and other mandatory announcements are made available at this website.

The Annual General Meeting ("the AGM") of the Company represents the principal forum for dialogue and interaction between the Shareholders and the Company. At every AGM, there is an open question and answer session in which Shareholders may raise questions regarding the proposed resolutions at the meetings as well as on matters relating to the Group's businesses and affairs. The Directors, Senior Management and the external auditors are present during these meetings to respond to questions raised by shareholders.

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

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

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

Statement On Corporate Governance (Continued)

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

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

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

Internal Control

The Directors acknowledge their overall responsibility for the Group's to maintain a sound system of internal control covering not only financial controls but also operational and compliance controls as well as risk management. The Board seeks regular assurance on the adequacy, integrity and effectiveness of the internal control system.

The Internal Control Statement of the Group is set out on pages 26 to 27 of the Annual Report.

Relationship with External Auditors

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

The Audit Committee has met with the external auditors in relation to the audit of the annual financial statements without the presence of the Executive Directors and Management in respect of the financial year under review. The external auditors are invited to attend the annual general meetings of the Company and are available to answer shareholders' queries on the conduct of the audit and the preparation and content of the audit report.

STATEMENTS OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors of the Company are required by the Companies Act, 1965 to prepare annual financial statements in accordance with the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the year ended 31st August 2014, the Group and the Company have: -

- a) Adopted the appropriate accounting policies and applied them consistently;
- b) Made judgments and estimates that are reasonable and prudent;
- c) Ensured that all applicable approved accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- d) Confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible and have ensured that proper accounting records are kept under the Companies Act 1965, that disclose with reasonable accuracy, the financial positions and results of the Group and the Company. The Directors are also responsible for taking necessary and reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

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

- a) During the financial year under review, there were no:
- i) Non-audit fees paid to External Auditors for the financial year;
 - ii) Profit estimates, forecasts or projections issued by Company and its subsidiary companies;
 - iii) Utilization of proceeds raised from any proposal as the Company did not carry out any corporate exercise to raise fund;
 - iv) Share buybacks as the Company does not have any share buy-back scheme;
 - v) Options, warrants or convertible securities exercised;
 - vi) Depository Receipt Programme sponsored by the Company;
 - vii) Sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by any of the regulatory bodies;
 - viii) Material variance between the results for the financial year and the unaudited results previously announced;
 - ix) Profit guarantees given by the Company;
 - x) Material contracts between the Company and its subsidiaries that involve Directors' or major shareholders interests of the Company that have not been reflected in the financial statement;
- b) Revaluation Policy on Landed Properties

The revaluation policy on landed properties is as disclosed in the financial statement for the year ended 31 August 2014.

STATEMENT OF RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Company's and Group's ("the Group") assets. Pursuant to paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") require directors of public listed companies to include a statement in their annual reports on the state of their risk management and internal controls framework in the Company as a Group.

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

BOARD RESPONSIBILITY

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

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

The system of risk management and internal control are designed to achieve the following objectives: -

- a) Safeguard the shareholders' interest and assets of the Group.
- b) Ensure the achievement of corporate objectives.
- c) Ensure compliance with regulatory requirements.
- d) Identify and manage risk affecting the Group.

RISK MANAGEMENT FRAMEWORK

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

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

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

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

STATEMENT OF RISK MANAGEMENT & INTERNAL CONTROL (Continued)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out on pages 88 to 94 of the Annual Report.

KEY ELEMENTS OF INTERNAL CONTROL

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

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

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

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

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

CONCLUSION

There were some internal control weaknesses and potential improvements were identified during the financial period ended 31st August 2014. The control weaknesses identified have been, or are being, addressed to ensure the integrity of internal controls. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require mention in the Group's Annual Report.

The Board has received assurance from the Chief Executive Officer, Executive Director and the Senior Group Accountant that the Group's risk management and internal control system is operating adequately and effectively, in all material aspect, based on the risk management and internal control system of the Group.

The Management of the Group continues to take measures to strengthen the internal control environment. The development of the system of internal control is an ongoing process and the Board maintains an ongoing commitment to strengthen the Group's internal control environment and processes.

CORPORATE SOCIAL RESPONSIBILITY REPORT

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

ENVIRONMENT

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

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

MARKETPLACE

The Group values its business ties with both its customers and suppliers through constantly striving to meet their needs in terms of quality and pricing of its products and services.

The Group conducts its business in accordance to a high standard of business ethics and in compliance with all relevant legislation.

WORKPLACE

The Company recognizes that the employees are invaluable assets of the Group and play a vital role in achieving the vision and mission of the Group. Our employees are the heart of the Group and the key to the competitive success in the marketplace.

Toward this end, the Group constantly promotes human capital development.

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

The Group has never employed illegal foreign workers or workers below the statutory working age. Moreover, as a policy, we do not discriminate against any race, gender, age and minorities.

Significant importance is attached in upholding the understanding the family as a unit. The Group provides accommodation to immediate family members of workers so that they can stay together.

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

The Group is an equal opportunity employer and has always been actively promoting mutual respect among the staff.

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

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS FOR THE FINANCIAL YEAR

	GROUP RM	COMPANY RM
Loss for the financial year after tax	(3,676,179)	(2,692,206)
Loss attributable to:		
Owners of the parent	(3,654,728)	(2,692,206)
Non-controlling interest	(21,451)	-
	(3,676,179)	(2,692,206)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the current financial year ended 31 August 2014.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except for those provisions made within the ordinary course of business which have been disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

BAD AND DOUBTFUL DEBTS

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

At the date of this report, the Directors advise that they are not aware of any circumstances which would render the bad debts written off or the allowance for impairment losses on receivables inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

Except as disclosed in the financial statements, in the opinion of the Directors, the results of the Group and of the Company during the financial year have not been substantially affected by any other item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

Directors' Report

(Continued)

DIRECTORS

The Directors who served since the date of the last report are as follows:-

DATUK JOHN MALUDA @ WANJI
 WONG SEE MING
 WONG WEE KEAN
 PAULINUS MOJIUN
 LEONG HOCK CHEONG (Resigned on 31.10.2014)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 August 2014, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:-

	No. of ordinary shares of RM0.25 each			
	As at 01.09.2013	Bought	Sold	As at 31.08.2014
WONG SEE MING				
- Direct interest	19,407,000	-	-	19,407,000
- Indirect interest *	160,355,996	-	-	160,355,996
- Indirect interest **	27,200,000	-	-	27,200,000
WONG WEE KEAN				
- Direct interest	16,000	-	-	16,000

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

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

By virtue of their interest in the shares of the Company, the above-mentioned Directors are also deemed interested in the shares of the subsidiaries during the financial year to the extent the Company has 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.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Directors have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 27, 28 and 34(b) to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except as disclosed in Notes to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT SUBSEQUENT EVENT

There are no significant event after the end of the financial year.

HOLDING COMPANY

The holding company is Sepang Heights Sdn. Bhd.; a company incorporated and domiciled in Malaysia.

AUDITORS

Messrs. T. H. KUAN & CO., Chartered Accountants, have expressed their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

WONG SEE MING

Director

WONG WEE KEAN

Director

Petaling Jaya, Selangor Darul Ehsan.
17 December 2014

STATEMENT BY DIRECTORS

We, WONG SEE MING and WONG WEE KEAN, being two of the Directors of NWP HOLDINGS BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on page 37 to 99 are drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2014 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out in Note 41 on page 99 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements", as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

WONG SEE MING

Director

WONG WEE KEAN

Director

Petaling Jaya, Selangor Darul Ehsan.
17 December 2014

STATUTORY DECLARATION

I, WONG SEE MING (NRIC No. 670317-05-5345), being the Director primarily responsible for the financial management of NWP HOLDINGS BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on page 37 to 99 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
WONG SEE MING)
NRIC No. 670317-05-5345)
at Petaling Jaya,)
in the Selangor Darul Ehsan)
this day of 17 December 2014)

Before me

WONG SEE MING

SOONG FOONG CHEE
B158
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NWP HOLDINGS BERHAD (495476 - M)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **NWP HOLDINGS BERHAD**, which comprise the statements of financial position as at 31 August 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on page 37 to 99.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 August 2014 and of their financial performance and cash flows for the financial year then ended in accordance with applicable approved Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NWP HOLDINGS BERHAD (495476 - M)

(Incorporated in Malaysia) (Continued)

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors has been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information disclosed in Note 41 on page 76 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

T. H. KUAN & CO.
AF: 1216
CHARTERED ACCOUNTANTS

Petaling Jaya, Selangor Darul Ehsan.
17 December 2014

TAN KIM HOR
No. 3014/01/15(J)
CHARTERED ACCOUNTANT

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2014

		GROUP		COMPANY	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
ASSETS					
Non-Current Assets					
Investment in an associate	5	2,734,210	2,952,340	3,216,689	3,216,689
Investment in subsidiaries	6	-	-	17,292,333	19,878,696
Property, plant and equipment	7	36,939,445	32,254,828	-	-
Plantation development expenditure	8	48,130	56,148	-	-
Biological assets	9	42,922	-	-	-
Non-current assets held for sale	10	-	4,895,600	-	-
Total Non-Current Assets		39,764,707	40,158,916	20,509,022	23,095,385
Current Assets					
Inventories	11	5,290,353	5,131,179	-	-
Contract work-in-progress, at cost		82,392	99,655	-	-
Amount due from customer on contract	12	-	-	-	-
Trade receivables	13	4,294,248	5,649,103	-	-
Other receivables	14	1,542,613	2,320,315	9,186	9,080
Amount due from an associate	15	504,049	474,923	504,049	474,923
Amount due from subsidiaries	16	-	-	25,934,445	26,072,472
Tax assets		9,755	32,255	-	-
Money market deposits with licensed banks	17	58,621	746,956	800	782
Cash and bank balances		1,438,596	1,005,961	10,785	4,422
Total Current Assets		13,220,627	15,460,347	26,459,265	26,561,679
TOTAL ASSETS		52,985,334	55,619,263	46,968,287	49,657,064

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Financial Position

As At 31 August 2014 (Continued)

		GROUP		COMPANY	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	18	80,000,000	80,000,000	80,000,000	80,000,000
Share premium		4,018,960	4,018,960	11,618,960	11,618,960
Revaluation reserve	19	17,625,662	17,299,141	-	-
Accumulated losses		(55,367,598)	(51,712,870)	(44,666,651)	(41,974,445)
		46,277,024	49,605,231	46,952,309	49,644,515
Non-controlling interest		(22,146)	(695)	-	-
Total Equity		46,254,878	49,604,536	46,952,309	49,644,515
Non-Current Liabilities					
Obligation under finance lease	20	67,477	101,247	-	-
Deferred tax liabilities	21	1,072,301	969,189	-	-
Total Non-Current Liabilities		1,139,778	1,070,436	-	-
Current Liabilities					
Trade payables	22	641,100	539,530	-	-
Other payables	23	3,853,604	2,575,949	15,978	12,549
Amount due to a Director	24	54,338	54,338	-	-
Obligation under finance lease	20	33,769	50,096	-	-
Bank overdraft	25	1,007,867	1,724,378	-	-
Total Current Liabilities		5,590,678	4,944,291	15,978	12,549
Total Liabilities		6,730,456	6,014,727	15,978	12,549
TOTAL EQUITY AND LIABILITIES		52,985,334	55,619,263	46,968,287	49,657,064

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2014

		GROUP		COMPANY	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Revenue	26	8,978,190	4,079,339	18	5,520
Cost of sales		(10,215,753)	(5,891,570)	-	-
Gross (loss)/profit		(1,237,563)	(1,812,231)	18	5,520
Other income		128,496	2,339,127	-	2,391,281
Administration expenses		(1,481,162)	(1,645,947)	(69,001)	(69,800)
Other operating expenses		(676,633)	(1,010,814)	(36,860)	(25,360)
(Loss)/Profit from operations	27	(3,266,862)	(2,129,865)	(105,843)	2,301,641
Finance cost	30	(191,187)	(294,801)	-	-
Impairment losses on investment in subsidiaries		-	-	(2,586,363)	(4,959,214)
Impairment losses on amount due from subsidiaries		-	-	-	(6,956)
Share of result in an associate		(218,130)	(113,016)	-	-
Loss before tax		(3,676,179)	(2,537,682)	(2,692,206)	(2,664,529)
Income tax expense	31	-	1,580	-	-
Loss after tax		(3,676,179)	(2,536,102)	(2,692,206)	(2,664,529)
Other comprehensive income					
Item that not to be reclassified subsequently to profit or loss					
Surplus on revaluation of property, plant and equipment, net of tax	19	326,521	-	-	-
Total comprehensive expense		(3,349,658)	(2,536,102)	(2,692,206)	(2,664,529)
Loss attributable to:					
Owners of the parent		(3,654,728)	(2,534,911)		
Non-controlling interest		(21,451)	(1,191)		
		(3,676,179)	(2,536,102)		
Total comprehensive expense attributable to:					
Owners of the parent		(3,328,207)	(2,534,911)		
Non-controlling interest		(21,451)	(1,191)		
		(3,349,658)	(2,536,102)		
Loss per share attributable to owners of the parent (Sen per share)	32	(1.14)	(0.79)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2014

GROUP	Attributable to Equity Holders of the Parent					
	Share capital RM	Share premium RM	Revaluation reserve RM	Accumulated losses RM	Non-controlling interest RM	Total RM
At 31 August 2012	80,000,000	4,018,960	18,268,330	(49,179,063)	-	53,108,227
Loss after tax	-	-	-	(2,534,911)	(1,191)	(2,536,102)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive expense	-	-	-	(2,534,911)	(1,191)	(2,536,102)
Transaction with owners						
Loss on disposal of partial investment in a subsidiary (Note 27)	-	-	-	(68,400)	-	(68,400)
Arising from disposal of interest in a subsidiary	-	-	-	69,504	496	70,000
Provision of deferred tax liabilities on revalued properties (Note 21 and 19)	-	-	(969,189)	-	-	(969,189)
At 31 August 2013	80,000,000	4,018,960	17,299,141	(51,712,870)	(695)	49,604,536
Loss after tax	-	-	-	(3,654,728)	(21,451)	(3,676,179)
Other comprehensive income	-	-	326,521	-	-	326,521
Total comprehensive income/(expense)	-	-	326,521	(3,654,728)	(21,451)	(3,349,658)
At 31 August 2014	80,000,000	4,018,960	17,625,662	(55,367,598)	(22,146)	46,254,878

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Changes In Equity

For The Financial Year Ended 31 August 2014 (Continued)

COMPANY	← Non-distributable →			Total RM
	Share capital RM	Share premium RM	Accumulated losses RM	
At 31 August 2012	80,000,000	11,618,960	(39,309,916)	52,309,044
Loss after tax	-	-	(2,664,529)	(2,664,529)
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	(2,664,529)	(2,664,529)
At 31 August 2013	80,000,000	11,618,960	(41,974,445)	49,644,515
Loss after tax	-	-	(2,692,206)	(2,692,206)
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	(2,692,206)	(2,692,206)
At 31 August 2014	80,000,000	11,618,960	(44,666,651)	46,952,309

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2014

		GROUP	
	Note	2014 RM	2013 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax		(3,676,179)	(2,537,682)
Adjustments for:-			
Impairment losses on trade and other receivables	27	209,458	665,701
Impairment losses on property, plant and equipment	27	158,600	-
Bad debts written off	27	-	2,854
Amortisation of plantation development expenditure	8,27	15,689	12,417
Amortisation of biological assets	9,27	6,448	-
Depreciation of property, plant and equipment	27	1,561,440	1,607,435
Gain on disposal of non-current assets held for sale	27	-	(1,814,300)
Loss on disposal of property, plant and equipment	27	469	340
Share of result in an associate		218,130	113,016
Unrealised foreign exchange loss/(gain)	27	26,050	(42,967)
Interest expenses	30	191,187	294,801
Interest income	27	(42,625)	(19,845)
Operating loss before changes in working capital		(1,331,333)	(1,718,230)
Changes in working capital			
Inventories		(159,174)	1,573,618
Contract work-in-progress		17,263	(99,655)
Trade and other receivables		1,923,099	(1,671,568)
Trade and other payables		1,379,225	1,733,999
Amount due to a Director		-	54,338
Cash flow from/(used in) operations		1,829,080	(127,498)
Interest paid		(180,743)	(294,801)
Interest received		42,625	19,845
Tax refunded/(paid)		22,500	(4,564)
Net cash flow from/(used in) operating activities		1,713,462	(407,018)
CASH FLOW FROM INVESTING ACTIVITIES			
(Advance to) /Repayment from an associate		(29,126)	149,078
Payment for plantation development expenditure	8	(7,671)	(32,845)
Payment for biological assets	9	(49,370)	-
Investment in an associate		-	(184,068)
Purchase of property, plant and equipment	7	(1,081,293)	(588,584)
Proceeds from disposal of non-current assets held for sale		-	2,554,800
Proceeds from disposal of property, plant and equipment		1,400	1,104
Proceeds from disposal of partial investment in a subsidiary		-	1,600
Net cash flow (used in)/from investing activities		(1,166,060)	1,901,085

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Cash Flows

For The Financial Year Ended 31 August 2014 (Continued)

		GROUP	
	Note	2014 RM	2013 RM
CASH FLOW FROM FINANCING ACTIVITY			
Repayment of obligation under finance lease		(60,541)	(62,422)
Net cash flow used in financing activity		(60,541)	(62,422)
NET INCREASE IN CASH AND CASH EQUIVALENTS		486,861	1,431,645
EFFECT OF CHANGES IN EXCHANGE RATE		(26,050)	42,967
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		28,539	(1,446,073)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	33	489,350	28,539

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Cash Flows

For The Financial Year Ended 31 August 2014 (Continued)

		COMPANY	
	Note	2014 RM	2013 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax		(2,692,206)	(2,664,529)
Adjustments for:			
Impairment losses on investment in subsidiaries		2,586,363	4,959,214
Impairment losses on amount due from subsidiaries	36(b)(i)	-	6,956
Reversal of impairment losses on amount due from a subsidiary	27	-	(809,681)
Loss on disposal of partial investment in a subsidiary	27	-	68,400
Interest income	26	(18)	(5,520)
Operating (loss)/profit before changes in working capital		(105,861)	1,554,840
Changes in working capital			
Trade and other receivables		(106)	(33)
Trade and other payables		3,429	(1,594)
Interest received		18	5,520
Net cash flow (used in)/from operating activities		(102,520)	1,558,733
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of partial investment in a subsidiary		-	1,600
(Advance to)/Repayment from an associate		(29,126)	149,078
Repayment from/(Advance to) subsidiaries		138,027	(3,234,509)
Investment in an associate		-	(184,068)
Net cash flow from/(used in) investing activities		108,901	(3,267,899)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,381	(1,709,166)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,204	1,714,370
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	33	11,585	5,204

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2014

1. CORPORATE INFORMATION

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

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

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

The registered office of the Company is located at Unit 1119, 11th Floor, Block A, Damansara Intan, No.1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 December 2014.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") in Malaysia and the provisions of the Companies Act, 1965. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs and Interpretations which are mandatory for the current financial year beginning on or after 1 September 2013 as described fully in Note 2.2.

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

2.2 Amendments to FRSs and New FRSs Adopted

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

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.2 Amendments to FRSs and New FRSs Adopted (Continued)

FRS 128	Investment in Associates and Joint Ventures
Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosures-Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRS 1, FRS 101, FRS 116, FRS 132 and FRS 134	Improvements to FRSs (2014)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group and of the Company except for those discussed below:-

FRS 10 Consolidated Financial Statements

FRS 10 replaces part of FRS 127, Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation- Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor that own less than 50 per cent of the voting shares in an investee has control over the investee. FRS10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

The application of this new standard has no impact on the financial statements of the Group's financial position and performance.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 sets out the disclosure requirement relating to an entity's interest in subsidiaries, joint arrangement, associates and structured entities. The standard requires a reporting entity to disclose information that helps users to assess the nature and financial effects of the reporting entity's relationship with other entities. FRS 12 disclosures are provided in Note 6.

FRS 13 Fair Value Measurement

FRS 13 is intended to clarify the measurement objective, harmonise the disclosure requirements and to improve consistency in application of fair value measurement. FRS 13 does not introduce new fair value measurement requirements. Other than additional disclosures, the adoption of FRS 13 does not have impact on the Group's and the Company's financial position or performance.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.2 Amendments to FRSs and New FRSs Adopted (Continued)

Amendments to FRS 101 Presentation of Items of Other Comprehensive Income

The amendment requires that items of other comprehensive income must be reclassified together into those that will or may be reclassified ("recycled") into profit or loss at a future time and those that will not be reclassified. The amendments affect presentation only, there is no impact on the Group's financial position or performance.

FRS 127 Separate Financial Statements

As a consequence of new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, joint controlled entities and associates in separate financial statements.

2.3 Standards Issued But Not Yet Effective

- (a) The Group and the Company have not adopted the following standards and interpretation that have been issued but not yet effective:-

Effective for the financial periods beginning on or after 1 January 2014

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Effective for the financial periods beginning on or after 1 July 2014

Amendments to FRS 2, FRS 8, FRS 3, FRS 116, FRS 124 and FRS 138	Annual Improvements to FRSs 2010 – 2012 Cycle
Amendments to FRS 119	Defined Benefit Plans : Employee Contribution
Amendments to FRS 2, FRS 3, FRS 13 and FRS 140	Annual Improvements to FRSs 2011 – 2013 Cycle

Effective for the financial periods beginning on or after 1 January 2016

Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
FRS 14	Regulatory Deferral Accounts
Amendments to FRS FRS 5, FRS 7, FRS 119 and FRS 134	Annual Improvements to FRSs 2012 – 2014 Cycle

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.3 Standards Issued But Not Yet Effective (Continued)

- (a) The Group and the Company have not adopted the following standards and interpretation that have been issued but not yet effective:- (Continued)

Effective for the financial periods beginning on or after 1 January 2016 (Continued)

Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements

Effective for the financial periods beginning on or after 1 January 2018

FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
FRS 9	Financial Instruments (Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139)

The Group and the Company is in the process of assessing the impact of the adoption of these FRSs, Amendments to FRSs and IC interpretations since the effects would only be observable in future financial years.

- (b) Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective.

The Malaysian Accounting Standards Board ("MASB") had issued a new MASB approved accounting framework, the MFRS Framework, to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2013, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein referred as "Transitioning Entity").

A Transitioning Entity is allowed to defer the adoption of the new MFRS Framework for another five (5) years. Consequently, adoption of the MFRS Framework by Transitioning Entity will be mandatory for annual periods beginning on or after 1 January 2017.

The Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 August 2018. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below.

3.2 Basis of Consolidation

(a) Subsidiaries

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

The Company controls an investee if and only if the Company has all the following:-

- (i) Power over the investee (i.e. existing rights that gives the Company the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect the amount of the Company's returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give the Company the power over the investee:-

- (i) The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

Subsidiaries are consolidated when the Company obtains control over the subsidiaries and ceases when the Company loses control of the subsidiaries. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of Consolidation (Continued)

(a) Subsidiaries (Continued)

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in statements of comprehensive income. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to statements of comprehensive income or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as cost on initial recognition of the investment.

(b) Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administration expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in statements of comprehensive income or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through statements of comprehensive income.

(c) Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statements of comprehensive income of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Investment in Subsidiaries

A subsidiary is an entity over which the Group has the following:-

- (i) Power over the investee (i.e. existing rights that gives the Group the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use power over the investee to affect the amount of the Company's returns.

Investment in subsidiaries is stated at cost less impairment losses. Such impairment loss is made when there is a decline other than temporary in the value of investments and is recognised as an expense in the period in which the decline occurred. The policy for recognition and measurement of impairment losses is in accordance with Note 3.11. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the statements of comprehensive income.

3.4 Intangible Assets

Intangible assets represents goodwill arising from business combination and is initially measured at cost which is the excess of cost of business combination over the Groups' interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Thereafter, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment loss is in accordance with Note 3.11.

3.5 Investment in Associate

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

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

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

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

On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in statements of comprehensive income.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Property, Plant and Equipment

(a) Recognition and Measurement

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

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

Certain property, plant and equipment were stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers and the Directors. It is the Group's policy to appraise its properties at least once in every five (5) years by independent valuers and Directors based on open market value to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date.

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

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

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

(b) Depreciation

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

Long term leasehold land	64 to 98 years
Buildings and quarters	50 years
Motor vehicles, plant and machinery	5 to 10 years
Tools and equipment and factory equipment	10 years
Renovation, furniture, fittings and equipment	5 to 10 years
Road	10 years

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

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Property, Plant and Equipment (Continued)

(c) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. A write down is made if the carrying value exceeds the recoverable amount. The policy for the recognition and measurement of impairment loss is in accordance with Note 3.11.

(d) Derecognition

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

3.7 Plantation Development Expenditure

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

The plantation development expenditure is amortised over their expected useful life of five (5) years upon generating income.

3.8 Biological Assets

New planting expenditure incurred on land clearing, planting, upkeep of immature rubber tree, direct administrative expenses and financing costs up to maturity are capitalised under biological assets and is amortised on a straight line basis over five (5) years which is the expected useful life of rubber tree. Rubber tree is estimated to mature after twelve (12) months of planting. Upon maturity, all subsequent maintenance expenditure is charged to the statements of comprehensive income.

Replanting expenditure is also capitalised as biological assets and amortised on the same basis.

3.9 Lease

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

(a) Finance Lease

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

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Lease (Continued)

(a) Finance Lease (Continued)

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

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

(b) Operating Lease

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

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

3.10 Financial Instruments

(a) Financial Assets

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, the directly attributable transaction costs. The Group and the Company determine the classification of their financial assets at initial recognition, into four (4) categories namely:-

- (i) available for sale financial assets;
- (ii) financial assets at fair value through profit or loss;
- (iii) held-to-maturity financial assets; and
- (iv) loans and receivables.

The Group and Company only have one (1) category of financial asset namely loan and receivables for the current and previous financial year.

Loans and receivables:-

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

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Financial Instruments

(a) Financial Assets

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

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

(b) Financial Liabilities

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

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

For other financial liabilities, gains and losses are recognised in statements of comprehensive income when the liabilities are derecognised, and through the amortisation process.

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

3.11 Impairment of Non-Financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Impairment of Non-Financial Assets

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in statements of comprehensive income in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in the statements of comprehensive income except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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

3.12 Impairment of Financial Assets

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

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

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Impairment of Financial Assets (Continued)

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

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

3.13 Inventories

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

3.14 Cash and Cash Equivalents

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

3.15 Borrowing Cost

Interest-bearing borrowings are recognised based on the proceeds received, net of transactions costs incurred. Borrowings costs directly attributable to the acquisition of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. All other borrowings costs are charged to the statements of comprehensive income as expenses in the period in which they are incurred.

3.16 Provisions

Provisions are recognised when the Group and the Company has a present legal or constructive obligation as a result of past events 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 the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Contingencies

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

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

3.18 Share Capital

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

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

3.19 Income Tax

Income tax on the statements of comprehensive income 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, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustments recognised in the year for current tax of prior years.

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if and only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.20 Revenue Recognition

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

(a) Sale of Goods

Revenue from sale of goods is recognised upon transfer significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptances of the goods.

(b) Construction

Revenue from the work done on construction contracts are recognised based on the “percentage of completion” method. The stage of completion is determined based on the proportion of contracts costs incurred for work performed up to the balance sheet date over the estimated total contract cost. Foreseeable losses, if any, are recognised immediately in the statements of comprehensive income.

Revenue is recognised based on the stage of completion measured by reference to the proportion that contract cost incurred for work performed to date that reflect work performed bear to estimated total contract cost.

(c) Rendering of Services

Revenue from services rendered is recognised as and when the services are performed, recovery of the consideration is probable and the associated costs can be measured reliably.

(d) Rental Income

Rental income is recognised on an accrual basis.

(e) Interest Income

Interest income is recognised using the effective interest method.

(f) Dividend Income

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

3.21 Employee Benefits

(a) 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 as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Employee Benefits (Continued)

(b) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. As required by law, companies in Malaysia make contributions to Employees Provident Fund ("EPF"). This contribution is recognised as an expense in the statements of comprehensive income as incurred.

3.22 Foreign Currencies

(a) Functional and Presentation Currency

The functional currency of the Group and of the Company is determined using the currency of the primary economic environment in which the Group and the Company operates.

(b) Transactions and Balances

Transactions in foreign currencies are recorded on initial recognition in Ringgit Malaysia ("RM") at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in statements of comprehensive income.

(c) Foreign Operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the statements of comprehensive income. Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

3.23 Non-Current Assets Held For Sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs to sell.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Non-Current Assets Held For Sale (Continued)

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in statements of comprehensive income. Gains are not recognised in excess of any cumulative impairment loss. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

3.24 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.25 Amount Due From Customer On Contract

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

3.26 Contract Work-In-Progress

Contract work-in-progress are stated at the lower of cost and net realisable value. The cost of contract work-in-progress comprise the cost of raw materials, direct labour and an appropriate allocation of production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the estimated costs of completion and the selling expenses.

3.27 Related Parties

A party is related to a entity if:

- (a) directly, or indirectly through one or more intermediaries, the party:
 - (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries); or
 - (ii) has an interest in the entity that gives it significant influence over the entity; or
 - (iii) has joint control over the entity.
- (b) the party is an associate of the entity; or
- (c) the party is a joint venture in which the entity is a venturer; or
- (d) the party is a member of the key management personnel of the entity or its parent; or

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.27 Related Parties (Continued)

- (e) the party is a close member of the family of any individual referred to in (a) or (d); or
- (f) the party is a company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

3.28 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:-

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:-

- (a) Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (b) Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (c) Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

4.1 Judgements Made in Applying Accounting Policies

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

(a) Going Concern

As at the reporting date, the subsidiaries; DMKT Timber Sdn. Bhd. and NWP O & M Sdn. Bhd. have its current liabilities exceeded its current assets. The ability of the subsidiaries to continue as a going concern is dependent on the continued financial support from the Group. The financial statements of the subsidiaries do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the subsidiaries be unable to continue as going concern.

(b) Impairment of Non-Financial Assets

When the recoverable amount of a non-financial asset is determined based on the estimate of the value in use of the cash generating units to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating units and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(c) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(d) Impairment of Interest in Subsidiaries and Associate

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

Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the subsidiaries and associate and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Future cash flows largely depends on the forecast of the future performance of the subsidiaries and associate.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

4.1 Judgements Made in Applying Accounting Policies (Continued)

(e) Revenue Recognition

The management makes judgement based on the terms of the contract and experiences in determining the appropriate point for recognising the sales as revenue in the financial statements that meet the following three (3) revenue recognition criteria:-

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

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

4.2 Key Sources of Estimation Uncertainty

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

(a) Valuation of Inventories

Reviews are carried out periodically by management on damaged, obsolete and slow-moving inventories. These reviews involved judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(b) Useful Lives of Property, Plant and Equipment

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

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

The carrying amount of the Group's property, plant and equipment as at reporting date is disclosed in Note 7.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

4.2 Key Sources of Estimation Uncertainty (Continued)

(c) Valuation of Property, Plant and Equipment

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

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

(d) Taxation

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

(e) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

5. INVESTMENT IN AN ASSOCIATE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unquoted investment, at cost	3,216,689	3,216,689	3,216,689	3,216,689
Less:				
- Unrealised gain on disposal of property, plant and equipment to associate	(99,816)	(99,816)	-	-
- Share of losses in associate	(382,663)	(164,533)	-	-
	2,734,210	2,952,340	3,216,689	3,216,689

Name of Associate	Place of Incorporation	Principal Activities	Effective 2014	Equity Interest 2013
NWP LAO Industries Co., Ltd	Lao People's Democratic	Manufacturing and selling Republic of timber and timber products	25.66%	25.66%

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

Based on the Agreement, the Company is required to subscribe 40% of the registered capital of NLI and consideration for the shares registered shall be satisfied by way of introduction of assets and cash.

As at 31 August 2014, a balance of 14.34% of the registered capital have not been subscribed and the agreed subscription is by way of introduction of further assets as consideration and the subscription is pending on the full operation of the associate. The further assets, which were all included in non-current assets held for sale previously have been transferred during the year to property, plant and equipment as disclosed in Note 7 and Note 10.

Within the same Agreement, an additional 9% of subscription in shares was granted as an option to the Company and the option shall be exercised within a period of two (2) years from the date of the Agreement. As at 31 August 2014, the option has not been exercised and was extended with mutual understanding by parties of the Agreement.

The investment in NLI was accounted for in the financial statements under the equity method using the non-audited financial statements, as the audited financial statements of the associate are not available.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

5. INVESTMENT IN AN ASSOCIATE (Continued)

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

	2014 RM	2013 RM
Revenue	692,285	750,282
Loss after tax	(586,017)	(450,888)
Non-current assets	11,181,122	11,657,590
Current assets	1,222,684	999,383
Current liabilities	(941,621)	(608,770)
Net assets	11,462,185	12,048,203

6. INVESTMENT IN SUBSIDIARIES

	2014 RM	2013 RM
Unquoted shares, at cost	54,270,726	54,270,726
Less: Accumulated impairment losses	(36,978,393)	(34,392,030)
	17,292,333	19,878,696

All the subsidiaries are incorporated in Malaysia and their details are as follows:-

Name of Subsidiaries	Principal Activities	% of Ownership Interest Held by the Group		% of Ownership Interest Held by Non-Controlling Interest	
		2014	2013	2014	2013
NWP Industries Sdn. Bhd.	Manufacturing and selling of timber and timber products, provision of kiln drying services and trading of agricultural produce.	100%	100%	-	-
DMKT Timber Sdn. Bhd.	Logging contractor and provision of forest management services.	100%	100%	-	-
NWP O & M Sdn. Bhd.	Providing of sawmilling services and agricultural produce business.	90%	90%	10%	10%

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

6. INVESTMENT IN SUBSIDIARIES (Continued)

Name of Subsidiaries	Principal Activities	% of Ownership Interest Held by the Group		% of Ownership Interest Held by Non-Controlling Interest	
		2014	2013	2014	2013
NWP Builder Sdn. Bhd.	Provision of construction development and related services.	100%	100%	-	-

The financial statements of the subsidiaries are audited by Messrs. T. H. Kuan & Co..

The auditors' report of DMKT Timber Sdn. Bhd. have included an emphasis of matter in regard to the application of going concern assumption in the preparation of the financial statements.

Financial information of NWP O & M Sdn. Bhd., a subsidiary that have material non-controlling interest are provided below:-

(a) Summarised Statement of Financial Position

	2014 RM	2013 RM
Non-current assets	138,513	91,489
Current assets	472,168	573,753
Total assets	610,681	665,242
Current liabilities	(834,003)	(674,058)
Net liabilities	(223,322)	(8,816)
Equity attributable to:-		
Owners of the parent	(201,176)	(8,121)
Non-controlling interest	(22,146)	(695)
Non-controlling interest	(223,322)	(8,816)

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

6. INVESTMENT IN SUBSIDIARIES (Continued)

(b) Summarised Statement of Comprehensive Income

	2014 RM	2013 RM
Revenue	348,296	25,607
Net loss for the year	(214,506)	(23,941)
Net loss attributable to:-		
Owners of the parent	(193,055)	(22,750)
Non-controlling interest	(21,451)	(1,191)
Total comprehensive expense	(214,506)	(23,941)

(c) Summarised Statement of Cash Flows

	2014 RM	2013 RM
Net cash used in operating activities	(121,771)	(351,778)
Net cash used in investing activities	(79,390)	(62,791)
Net cash from financing activities	181,500	411,000
Net decrease in cash and cash equivalents	(19,661)	(3,569)
Cash and cash equivalents at the beginning of the year	26,694	30,263
Cash and cash equivalents at the end of the year	7,033	26,694

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

7. PROPERTY, PLANT AND EQUIPMENT

GROUP

2014	Long term leasehold land and quarters RM	Buildings RM	Motor vehicles, plant and machinery RM	Tools and equipment and factory equipment RM	Renovation, furniture, fittings and equipment RM	Road RM	Total RM
At Cost/Valuation							
At 1 September 2013	10,911,000	19,327,153	9,783,112	106,764	2,597,693	711,380	43,437,102
Additions	-	-	1,055,732	23,519	2,042	-	1,081,293
Disposal	-	-	(1,950)	-	-	-	(1,950)
Revaluation surplus (Note 19)	-	-	429,633	-	-	-	429,633
Revaluation deficit in valuation (Note 27)	-	-	(158,600)	-	-	-	(158,600)
Elimination	-	-	(6,188,057)	-	-	-	(6,188,057)
Transfer from non-current assets held for sale (Note 10)	-	-	9,312,333	-	-	-	9,312,333
At 31 August 2014	10,911,000	19,327,153	14,232,203	130,283	2,599,735	711,380	47,911,754
Accumulated Depreciation							
At 1 September 2013	217,446	756,130	7,155,044	71,968	2,388,869	592,817	11,182,274
Charge for the year (Note 27 and 39(a))	166,599	597,702	661,769	12,359	51,873	71,138	1,561,440
Disposal	-	-	(81)	-	-	-	(81)
Elimination	-	-	(6,188,057)	-	-	-	(6,188,057)
Transfer from non-current assets held for sale (Note 10)	-	-	4,416,733	-	-	-	4,416,733
At 31 August 2014	384,045	1,353,832	6,045,408	84,327	2,440,742	663,955	10,972,309
Net Book Value							
At 31 August 2014	10,526,955	17,973,321	8,186,795	45,956	158,993	47,425	36,939,445
Representing:							
-At cost	-	50,153	7,879,803	130,283	2,599,735	711,380	11,371,354
-At valuation	10,911,000	19,277,000	6,352,400	-	-	-	36,540,400
	10,911,000	19,327,153	14,232,203	130,283	2,599,735	711,380	47,911,754

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

2013	Long term leasehold land and quarters	Buildings	Motor vehicles, plant and machinery	Tools and equipment and factory equipment	Renovation, furniture, fittings and equipment	Road	Total
	RM	RM	RM	RM	RM	RM	RM
At Cost/Valuation							
At 1 September 2012	10,911,000	19,303,762	12,216,958	81,889	2,561,161	711,380	45,786,150
Additions	-	9,136	515,792	24,875	38,781	-	588,584
Disposal	-	-	-	-	(1,699)	-	(1,699)
Reclassification	-	14,255	(13,705)	-	(550)	-	-
Transfer to assets held for sale (Note 9)	-	-	(2,935,933)	-	-	-	(2,935,933)
At 31 August 2013	10,911,000	19,327,153	9,783,112	106,764	2,597,693	711,380	43,437,102
Accumulated Depreciation							
At 1 September 2012	53,505	177,011	7,963,823	66,536	2,276,473	521,679	11,059,027
Charge for the year (Note 26 and 39(a))	163,941	579,119	675,154	5,432	112,651	71,138	1,607,435
Disposal	-	-	-	-	(255)	-	(255)
Transfer to non-current assets held for sale (Note 10)	-	-	(1,483,933)	-	-	-	(1,483,933)
At 31 August 2013	217,446	756,130	7,155,044	71,968	2,388,869	592,817	11,182,274
Net Book Value							
At 31 August 2013	10,693,554	18,571,023	2,628,068	34,796	208,824	118,563	32,254,828
Representing:							
-At cost	-	50,153	4,978,112	106,764	2,597,693	711,380	8,444,102
-At valuation	10,911,000	19,277,000	4,805,000	-	-	-	34,993,000
At 31 August 2013	10,911,000	19,327,153	9,783,112	106,764	2,597,693	711,380	43,437,102

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP

- (a) The long term leasehold land and buildings of the Group were revalued on 2 May 2012 based on opinion of value expressed by an independent firm of external professional valuers, JS Valuers Property Consultants (E.M.) Sdn. Bhd., using the comparison method.
- (b) During the financial year, the plant and machinery of the Group have been revalued by an independent firm of external professional valuers, VPC Alliance (Sarawak) Sdn. Bhd. based on opinion of value expressed by using the replacement cost method on 31 August 2014. The revaluation had resulted a surplus of RM326,521, net of deferred tax which has been included in the revaluation reserve account as stated in Note 19.
- (c) The fair value hierarchy of the Group's assets as at the end of the financial year is as follows:-

	Fair Value Measurement Using			
	Quoted Price in Active Market Level 1 RM	Significant Observable Input Level 2 RM	Significant Unobservable Input Level 3 RM	Total RM
2014				
Assets Measured At Fair Value				
Long term leasehold land	- 10,911,000		-	10,911,000
Buildings and quarters	- 19,277,000		-	19,277,000
Plant and machinery	-	-	6,352,400	6,352,400
	- 30,188,000		6,352,400	36,540,400
2013				
Assets Measured At Fair Value				
Long term leasehold land	- 10,911,000		-	10,911,000
Buildings and quarters	- 19,277,000		-	19,277,000
Plant and machinery	-	-	4,805,000	4,805,000
	- 30,188,000		4,805,000	34,993,000

- (d) Had the revalued long term leasehold land, buildings and quarters, plant and machinery of the Group been stated at historical cost less accumulated depreciation and impairment loss, if any, the carrying amount of the revalued assets that would have been recognised in the financial statements at the end of the financial year would be as follow:-

	2014 RM	2013 RM
Long term leasehold land	1,473,760	1,493,684
Buildings and quarters	12,153,755	12,473,684
Plant and machinery	-	1,300
	13,627,515	13,968,668

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP

- (e) Long term leasehold land and building with carrying amount of RM4,547,845 (2013: RM4,641,179) has been charged to licensed banks for credit facilities granted to a subsidiary and is disclosed in Note 25.
- (f) Motor vehicles with carrying amount of RM117,100 (2013: RM169,100) are acquired under the hire purchase instalment plans as disclosed in Note 20.
- (g) Motor vehicles with carrying amount of RM131,267 (2013: RM193,267) are held in trust by the Directors of the Group.
- (h) Included in property, plant and equipment of the Group are the following fully depreciated assets which are still in use:-

	2014 RM	2013 RM
Cost		
Motor vehicles, plant and machinery	2,752,127	3,951,023
Tools and equipment and factory equipment	50,220	23,251
Renovation, furniture, fittings and equipment	2,136,386	1,767,436
	4,938,733	5,741,710

- (i) The transfer of non-current assets held for sale is in relation to the disclosure stated in Note 5 and Note 10.

8. PLANTATION DEVELOPMENT EXPENDITURE

GROUP

	2014 RM	2013 RM
At Cost		
At 1 September	68,565	35,720
Additions	7,671	32,845
At 31 August	76,236	68,565
Accumulated Amortisation		
At 1 September	12,417	-
Charge for the year (Note 27, 39(a))	15,689	12,417
At 31 August	28,106	12,417
Net Book Value		
At 31 August	48,130	56,148

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

9. BIOLOGICAL ASSETS

GROUP

	2014 RM	2013 RM
At Cost		
At 1 September	-	-
Additions	49,370	-
At 31 August	49,370	-
Accumulated Amortisation		
At 1 September	-	-
Charge for the year (Note 27, 39(a))	6,448	-
At 31 August	6,448	-
Net Book Value		
At 31 August	42,922	-

Included in biological assets of the Group are the following expenses incurred and capitalised during the financial year:-

	2014 RM	2013 RM
Staff costs	3,072	-
Rental of equipment	1,126	-

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

10. NON-CURRENT ASSETS HELD FOR SALE

GROUP

	2014 RM	2013 RM
At Cost		
At 1 September	9,312,333	9,927,004
Transfer (to)/from property, plant and equipment (Note 7)	(9,312,333)	2,935,933
Disposal	-	(3,550,604)
At 31 August	-	9,312,333
Accumulated Depreciation		
At 1 September	4,416,733	5,742,904
Transfer (to)/from property, plant and equipment (Note 7)	(4,416,733)	1,483,933
Disposal	-	(2,810,104)
At 31 August	-	4,416,733
Net Carrying Amount		
At 31 August	-	4,895,600

- (a) The non-current assets held for sale as at 31 August 2013 include only the disclosure of the net effect on the carrying amount after the revaluation which was carried out in financial year ended 31 August 2007.
- (b) As disclosed in Note 5, the introduction of assets for the subscription of the remaining registered capital of 14.34% in the associate, NLI is still pending on the full operation of the associate and the assets, which has a total carrying amount of RM3,245,100 and included in the above non-current assets held for sale in the previous year have been transferred during the year to property, plant and equipment account until the operation achieved the required level.
- (c) The non-current assets held for sale also include assets with carrying value of RM1,650,500 intended to be sold to a potential buyer where the potential buyer had during the year, exhibited no interest in acquiring the assets and therefore, a transfer of these assets to property, plant and equipment was made during the year.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

10. INVENTORIES

GROUP

	2014 RM	2013 RM
At Cost		
Timber and Log		
Raw materials	1,467,105	1,272,314
Work-in-progress	384,539	99,250
Finished goods	428,123	328,967
Consumables	239,902	223,489
	2,519,669	1,924,020
Nurseries		
Plants	479,259	752,123
Consumables	71,236	79,139
	550,495	831,262
	3,070,164	2,755,282
At Net Realisable Value		
Timber and Log		
Raw materials	1,684,141	1,702,543
Work-in-progress	363,221	496,632
Finished goods	172,827	176,722
	2,220,189	2,375,897
	5,290,353	5,131,179

12. AMOUNT DUE FROM CUSTOMER ON CONTRACT

GROUP

	2014 RM	2013 RM
Aggregate costs incurred to date	5,705,684	5,705,684
Attributable profit	587,851	587,851
	6,293,535	6,293,535
Progress billings	(6,293,535)	(6,293,535)
Amount due from customer on contract	-	-

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

13. TRADE RECEIVABLES

GROUP

	2014 RM	2013 RM
Gross receivables (Note 36 (b)(i))	5,125,551	6,387,237
Less : Allowance for impairment (Note 36(b)(i))	(831,303)	(738,134)
	4,294,248	5,649,103

14. OTHER RECEIVABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	1,480,147	1,937,679	-	-
Deposits	588,170	888,650	2,000	2,000
Prepayments	112,748	28,324	7,186	7,080
	2,181,065	2,854,653	9,186	9,080
Less : Allowance for impairment	(638,452)	(534,338)	-	-
Other receivables, net	1,542,613	2,320,315	9,186	9,080

The movement in the allowance account is as follows:-

At 1 September	534,338	2,081,350	-	-
Recovery (Note 27)	(12,175)	(111,665)	-	-
Written off	-	(1,844,166)	-	-
Additions (Note 27)	116,289	408,819	-	-
At 31 August	638,452	534,338	-	-

15. AMOUNT DUE FROM AN ASSOCIATE

GROUP AND COMPANY

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

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

16. AMOUNT DUE FROM SUBSIDIARIES

COMPANY

	2014 RM	2013 RM
Amount due from subsidiaries	33,125,556	33,263,583
Less: Allowance for impairment (Note 36(b)(i))	(7,191,111)	(7,191,111)
	<u>25,934,445</u>	<u>26,072,472</u>

Amount due from subsidiaries is unsecured, interest free and receivable on demand.

17. MONEY MARKET DEPOSITS WITH LICENSED BANKS

GROUP AND COMPANY

The effective rate of interest from money market deposits is ranging from 2.0% to 2.6% (2013: 2.0% to 2.6%) per annum and is realisable upon demand.

18. SHARE CAPITAL

GROUP AND COMPANY

	2014 RM	2013 RM
Authorised:		
400,000,000 (2013: 400,000,000) ordinary shares of RM0.25 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
320,000,000 (2013: 320,000,000) ordinary shares of RM0.25 each	<u>80,000,000</u>	<u>80,000,000</u>

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

19. REVALUATION RESERVE

GROUP

	2014 RM	2013 RM
At 1 September	17,299,141	18,268,330
Surplus on revaluation of plant and machinery (Note 7)	429,633	-
Deferred tax liability arising on revaluation (Note 21)	(103,112)	(969,189)
Net surplus/(reduction)	326,521	(969,189)
At 31 August	17,625,662	17,299,141

Revaluation reserve represents non-distributable surplus arising from the revaluation of leasehold land, buildings and quarters, plant and machinery as stated in Note 7.

20. OBLIGATION UNDER FINANCE LEASE

GROUP

The Group has obligation under finance lease for certain assets as disclosed in property, plant and equipment (Note 7). Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:-

	2014 RM	2013 RM
Minimum Finance Lease Payments:		
Not later than 1 year	38,904	60,540
Later than 1 year but not later than 2 years	71,274	38,904
Later than 2 years but not later than 5 years	-	71,275
	110,178	170,719
Less: Future finance charges	(8,932)	(19,376)
Present value of finance lease liabilities	101,246	151,343

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

20. OBLIGATION UNDER FINANCE LEASE (Continued)

	2014 RM	2013 RM
Repayable as follows:		
Not later than 1 year	33,769	50,096
Later than 1 year but not later than 2 years	35,933	33,770
Later than 2 years but not later than 5 years	31,544	67,477
	101,246	151,343
Analysed as:-		
Due within 12 months	33,769	50,096
Due after 12 months	67,477	101,247
	101,246	151,343

The effective interest rate of the obligation under finance lease ranged from 6.16% to 7.92% (2013 : 6.16% to 7.92%) per annum.

21. DEFERRED TAX LIABILITIES

GROUP

	2014 RM	2013 RM
At 1 September	969,189	-
Additions (Note 19)	103,112	969,189
At 31 August	1,072,301	969,189
Represented by:		
Deferred tax assets	-	-
Deferred tax liabilities	1,072,301	969,189
	1,072,301	969,189

Deferred tax liabilities are in respect of the tax on surplus arising from revaluation of property, plant and equipment.

22. TRADE PAYABLES

GROUP

The normal trade credit terms granted to the Group ranged from 30 to 120 days (2013: 30 to 120 days).

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

23. OTHER PAYABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Other payables:-				
-Third party	626,763	159,875	4,138	4,709
-Related party (Note 36(b)(iii))	2,685,918	2,015,918	-	-
Accruals	453,798	367,553	11,840	7,840
Deposit received	87,125	32,603	-	-
	3,853,604	2,575,949	15,978	12,549

The amount owing to a related party bears cost of fund of 3.5% (2013: 3.5%) per annum, unsecured and repayable on demand.

24. AMOUNT DUE TO A DIRECTOR

GROUP

The amount due to a Director is unsecured, interest free and repayable on demand.

25. BANK OVERDRAFTS

GROUP

The bank overdraft bears interest at 8.6% (2013: 8.6%) per annum and is secured by way of :-

- (i) Legal charge over the long term leasehold land and buildings of a subsidiary;
- (ii) Registered debentures over all the fixed and floating assets of a subsidiary;
- (iii) Corporate guarantee given by the Company and the holding company, Sepang Heights Sdn. Bhd.; and
- (iv) Jointly and severally guaranteed by two (2) former Directors of a subsidiary.

26. REVENUE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Sale of timber and timber products	7,872,344	3,570,055	-	-
Sale of agriculture product	747,441	25,607	-	-
Rendering of services	276,546	478,157	-	-
Money market interest income	18	5,520	18	5,520
Sale of ice blocks	81,841	-	-	-
	8,978,190	4,079,339	18	5,520

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

27. (LOSS)/PROFIT FROM OPERATIONS

The following amounts have been included in arriving at the (loss)/profit from operations:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
After charging:-				
After charging:-				
Auditors' remuneration				
- Current year	41,520	37,850	13,200	8,400
- Underprovision in previous year	1,050	3,050	2,000	-
Amortisation of plantation development expenditure (Note 8 and 39(a))	15,689	12,417	-	-
Amortisation of biological assets (Note 9 and 39(a))	6,448	-	-	-
Bad debts written off	-	2,854	-	-
Depreciation of property, plant and equipment (Note 7 and 39(a))	1,561,440	1,607,435	-	-
Directors' remuneration (Note 28 and 34(b)):-				
- Fees	87,000	68,677	-	-
- Salaries	204,000	159,907	-	-
- Other emoluments	27,450	20,283	-	-
Impairment losses on:-				
- Trade receivables (Note 36(b)(i))	93,169	256,882	-	-
- Other receivables (Note 14)	116,289	408,819	-	-
- Property, plant and equipment	158,600	-	-	-
Loss on disposal of partial investment in a subsidiary	-	-	-	68,400
Loss on disposal of property, plant and equipment	469	340	-	-
Rental of premises	81,000	116,373	-	-
Realised foreign exchange loss	19,151	-	-	-
Unrealised foreign exchange loss	26,050	-	-	-

After crediting:-

Gain on disposal of non-current assets held for sale	-	1,814,300	-	-
Money market interest income	42,625	19,845	18	5,520
Reversal of impairment losses on amount due from a subsidiary (Note 36(b)(i))	-	-	-	809,681
Recovery of impairment losses on:				
- Other receivables (Note 14)	12,175	111,665	-	-
- Amount due from a subsidiary (Note 36(b)(i))	-	-	-	1,650,000
Rental income	15,000	300,300	-	-
Realised foreign exchange gain	-	5,125	-	-
Unrealised foreign exchange gain	-	42,967	-	-

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

28. DIRECTORS' REMUNERATION

GROUP

	2014 RM	2013 RM
Directors of the Company		
Executive:-		
Salaries	204,000	159,907
Other emoluments	27,450	20,283
Non-Executive:-		
Fees	87,000	68,677
Total (Note 27 and 34(b))	318,450	248,867

Number of Directors of the Company whose total remuneration paid by the Group during the year fall within the following bands:-

	2014 RM	2013 RM
Executive Director		
RM10,000- RM100,000	1	1
RM100,001 – RM200,000	1	1
Non-Executive Director		
Below RM50,000	3	5

29. STAFF COSTS

GROUP

	2014 RM	2013 RM
Salaries, wages and allowances	2,286,847	834,077
EPF and Socso	217,049	160,739
Other employee benefits	83,961	93,223
	2,587,857	1,088,039

Number of employees in the Group at the end of the financial year (exclude Directors) are 188 (2013 : 74).

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

30. FINANCE COST

GROUP

	2014 RM	2013 RM
Cost of fund on unsecured advances	70,000	15,918
Bank overdraft interest	110,743	264,550
Obligation under finance lease interest	10,444	14,333
	<u>191,187</u>	<u>294,801</u>

31. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Income tax:-				
Current year expense	-	-	-	-
Over provision in previous year	-	(1,580)	-	-
Income tax expense for the financial year	<u>-</u>	<u>(1,580)</u>	<u>-</u>	<u>-</u>

The numerical reconciliation between tax expense and accounting loss are as follows:-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Loss before tax	(3,676,179)	(2,537,682)	(2,692,206)	(2,664,529)
Tax at the statutory tax rate of 25% (2013: 25%)	(919,045)	(634,420)	(673,052)	(666,132)
Tax effects of:				
Non-deductible expenses	315,884	448,617	656,892	1,287,234
Income not subject to tax	(5)	(12,123)	(5)	(633,801)
Deferred tax assets not recognised during the year	603,166	731,309	16,165	12,699
Tax saving on utilisation of unabsorbed tax losses and capital allowance	-	(533,383)	-	-
Over provision of tax in previous year	-	(1,580)	-	-
Income tax expense for the financial year	<u>-</u>	<u>(1,580)</u>	<u>-</u>	<u>-</u>

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

31. INCOME TAX EXPENSE (Continued)

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

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Temporary difference between the carrying amount of property, plant and equipment and their tax bases	3,647,000	3,712,600	-	-
Revaluation surplus of property, plant and equipment	17,112,800	17,360,000	-	-
Unabsorbed capital allowances	(6,082,000)	(8,919,000)	-	-
Unabsorbed tax losses	(38,172,000)	(41,902,000)	-	-
	(23,494,200)	(29,748,400)	-	-
Potential net tax benefits calculated at 24% tax rate (2013: 24%)	(5,638,608)	(7,139,616)	-	-

As at 31 August 2014, the deferred tax assets are not recognised in the financial statements due to uncertainty of realisation of future taxable profit that can be utilised.

In addition, the Group has unabsorbed reinvestment allowances of RM18,494,326 (2013: RM18,494,326) which can be offset against future taxable profits of the relevant company subject to the agreement by the Inland Revenue Board.

32. EARNINGS PER SHARE

Basic earnings per share ("EPS") amounts are calculated by dividing loss for the financial year, net of tax, attributable to owners of the parent by the number of ordinary shares during the financial year.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

32. EARNINGS PER SHARE (Continued)

	GROUP	
	2014 RM	2013 RM
Loss after tax attributable to owners of the parent	(3,654,728)	(2,534,911)
	Number of shares	Number of shares
Number of ordinary shares	320,000,000	320,000,000
	Sen per share	Sen per share
Basic loss per share	(1.14)	(0.79)

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

33. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash and bank balances	1,438,596	1,005,961	10,785	4,422
Money market deposits with licensed banks	58,621	746,956	800	782
	1,497,217	1,752,917	11,585	5,204
Bank overdraft	(1,007,867)	(1,724,378)	-	-
	489,350	28,539	11,585	5,204

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

34. RELATED PARTY DISCLOSURE

GROUP

(a) Related Party Transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Company and related party took place at terms and conditions mutually agreed between the parties during the financial year:-

	2014 RM	2013 RM
Cost of fund charged by a corporation in which a Director, Mr. Wong See Ming, has substantial financial interest	70,000	15,918
Management fee received from an associate	-	10,601

(b) Compensation of Key Management Personnel

	2014 RM	2013 RM
Short-term employee benefits	291,000	228,584
Defined contribution plan	27,450	20,283
	318,450	248,867
Comprised amounts paid to:- Directors (Note 27 and 28)	318,450	248,867

35. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unsecured				
Corporate guarantees issued to financial institutions for credit facilities granted to a subsidiary	-	-	2,000,000	2,000,000

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

36. FINANCIAL INSTRUMENTS

(a) Classification, Fair Value and Other Disclosures (except for risks disclosures)

The following table analysed the financial assets and liabilities of the Group and of the Company in the statements of financial position class of financial instrument to which they are assigned:-

	Note	GROUP		COMPANY	
		Loans and Receivables	Loans and Receivables	Loans and Receivables	Loans and Receivables
		2014	2013	2014	2013
		RM	RM	RM	RM
Financial assets:					
Trade receivables	13	4,294,248	5,649,103	-	-
Other receivables	14	1,542,613	2,320,315	9,186	9,080
Amount due from an associate	15	504,049	474,923	504,049	474,923
Amount due from subsidiaries	16	-	-	25,934,445	26,072,472
Money market deposits with licensed banks	17	58,621	746,956	800	782
Cash and bank balances		1,438,596	1,005,961	10,785	4,422
Financial liabilities:					
Trade payables	22	641,100	539,530	-	-
Other payables	23	3,853,604	2,575,949	15,978	12,549
Amount due to a Director	24	54,338	54,338	-	-
Obligation under finance lease	20	101,246	151,343	-	-
Bank overdraft	25	1,007,867	1,724,378	-	-

Except for the financial assets of RM4,481,815 which have been pledged by one of the subsidiary under a debenture, none of the other financial assets were pledged as collateral for any liability or contingent liability. The income, expenses, gains or losses arising from the financial instruments of the Group and of the Company for the year are disclosed in Note 27.

Determination of fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The Management has determined that the carrying amounts of the above categories of financial instruments based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of non-current portion of obligation under finance lease is reasonable approximately their fair value due to the insignificant impact of discounting.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

36. FINANCIAL INSTRUMENTS (Continued)

(b) Risks Disclosures

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

(i) Credit Risk

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

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

The Group's credit terms given to customers generally range from 30 to 120 days from the date of delivery or acceptance by customers and are frequently assessed and approved on a case-by-case basis. The maximum exposure to credit risk is represented by carrying amount in the statements of financial position and as presented in Note 13 and 14.

	2014 RM	2013 RM
Neither past due nor impaired	765,955	341,295
Past due 1 to 30 days but not impaired	196,382	592,736
Past due 31 to 120 days but not impaired	28,851	927,691
More than 120 days but not impaired	3,303,060	3,787,381
	3,528,293	5,307,808
Past due and impaired	831,303	738,134
Gross receivables (Note 13)	5,125,551	6,387,237

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

36. FINANCIAL INSTRUMENTS (Continued)

(b) Risks Disclosures (Continued)

(i) Credit risk (Continued)

Trade receivables that are neither past due nor impaired

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

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM3,836,786 (2013: RM5,307,808) that are past due at the reporting date but not impaired. The management is confident that these receivables which are unsecured are recoverable and they are regular and active customers that have been transacting with the Group.

Trade receivables that are impaired

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

	2014 RM	2013 RM
Allowance for Impairment Account		
At 1 September	738,134	10,753,981
Additions (Note 27)	93,169	256,882
Written off	-	(10,272,729)
At 31 August (Note 13)	831,303	738,134

Financial guarantees

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

The maximum exposure to the credit risk amounts to approximately RM1.0million (2013: RM1.7million) representing the outstanding banking facilities of a subsidiary as at the end of the reporting period.

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

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

36. FINANCIAL INSTRUMENTS (Continued)

(b) Risks Disclosures (Continued)

(i) Credit risk (Continued)

Inter-company balances

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

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

	2014 RM	2013 RM
Allowance for impairment account:		
At 1 September	7,191,111	9,643,836
Additional for the financial year	-	6,956
Recovery of impairment losses on amount due from a subsidiary (Note 27)	-	(1,650,000)
Reversal of impairment losses on amount due from a subsidiary (Note 27)	-	(809,681)
At 31 August (Note 16)	7,191,111	7,191,111

(ii) Liquidity Risk

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

Maturity analysis of financial liabilities

The normal credit terms given by the trade and other payables ranged from 30 to 120 days (2013: 30 to 120 days).

Trade and other payables are either overdue or due within one (1) year. The maturity analysis of obligation under finance lease are shown in Note 20.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

36. FINANCIAL INSTRUMENTS (Continued)

(b) Risks Disclosures (Continued)

(iii) Interest Rate Risk

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

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

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

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

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amount as at the reporting date is as follows:-

		2014		2013	
		Effective interest rate		Effective interest rate	
	Note	%	RM	%	RM
Financial assets					
Fixed rate Instruments					
Money market deposits with licensed banks	17	2.00 to 2.60	58,621	2.00 to 2.60	746,956
Financial Liabilities					
Fixed rate Instruments					
Other payables	23	3.50	2,685,918	3.50	2,015,918
Obligation under finance lease	20	6.16 to 7.92	101,246	6.16 to 7.92	151,343
Floating Rate Instruments					
Bank overdraft	25	8.60	1,007,867	8.60	1,724,378

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

36. FINANCIAL INSTRUMENTS (Continued)

(b) Risks Disclosures (Continued)

(iii) Interest Rate Risk (Continued)

Sensitivity analysis for interest rate risk

Fair value sensitivity analysis for fixed rate instruments

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

Fair value sensitivity analysis for variable rate instruments

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

	Equity and Profit or Loss	
	25bp	25bp
	Increase	Decrease
	RM	RM
Variable rate instruments	6,451	12,343

(iv) Foreign Currency Risk

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

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

The Group is also exposed to currency translation risk arising from its investment in an associate in LAO People's Democratic Republic with carrying amount of the Group of RM2,734,210 (2013:RM2,952,340) and the Company of RM3,216,689 (2013:RM3,216,689).

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

36. FINANCIAL INSTRUMENTS (Continued)

(b) Risks Disclosures (Continued)

(iv) Foreign Currency Risk (Continued)

Exposure to foreign currency risk

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

	USD RM	AUD RM	RM RM	Total RM
At 31 August 2014				
Financial Assets				
Trade and other receivables	271,798	-	5,565,063	5,836,861
Amount due from an associate	504,049	-	-	504,049
Money market deposits with licensed banks	-	-	58,621	58,621
Cash and bank balances	1,390,961	5,684	41,951	1,438,596
	2,166,808	5,684	5,665,635	7,838,127
Currency exposure	2,166,808	5,684	-	2,172,492
At 31 August 2013				
Financial assets:				
Trade and other receivables	-	-	7,969,418	7,969,418
Amount due from an associate	474,923	-	-	474,923
Money market deposits with licensed banks	-	-	746,956	746,956
Cash and bank balances	848,962	5,685	151,314	1,005,961
	1,323,885	5,685	8,867,688	10,197,258
Currency exposure	1,323,885	5,685	-	1,329,570

Sensitivity Analysis for foreign currency risk

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

	2014		2013	
	Effect on Loss After Taxation RM	Effect on Equity RM	Effect on Loss After Taxation RM	Effect on Equity RM
USD				
- Strengthened by 5%	108,340	108,340	66,194	66,194
- Weakened by 5%	(108,340)	(108,340)	(66,194)	(66,194)

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

37. CAPITAL COMMITMENTS

GROUP

Capital expenditure as at the reporting date is as follows:-

	2014 RM	2013 RM
Property, plant and equipment:-		
- Approved but not contracted and provided for	-	1,028,393
- Approved and contracted but not provided for	-	572,034
	-	1,600,427

38. CAPITAL MANAGEMENT

GROUP

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 August 2014 and 31 August 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debts. The Group includes within net debt, trade and other payables, amount due to a Director, obligation under finance lease and bank overdrafts less cash and bank balances and money market deposits with licensed banks.

	Note	2014 RM	2013 RM
Trade payables	22	641,100	539,530
Other payables	23	3,853,604	2,575,949
Amount due to a Director	24	54,338	54,338
Obligation under finance lease	20	101,246	151,343
Bank overdraft	25	1,007,867	1,724,378
		5,658,155	5,045,538
Less: Cash and Cash Equivalents, exclude bank overdraft	33	(1,497,217)	(1,752,917)
Net debts		4,160,938	3,292,621
Equity attributable to owners of the Group		46,277,024	49,605,231
Capital and net debts		50,437,962	52,897,852
Gearing ratio		8%	6%

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

39. SEGMENT INFORMATION

The Directors are of the opinion that all inter-segment transactions have been entered into 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. Inter-segment pricing is determined based on terms and conditions mutually agreed between the respective companies.

(a) Geographical Revenue

The geographical information on the revenue of the Group based on geographical location of its customers are as follows:-

	2014 RM	2013 RM
Malaysia	2,798,482	3,100,291
Outside Malaysia	6,179,708	979,048
	8,978,190	4,079,339

(b) Major Customers

The major customers of the Group with revenue equal or more than 10% of the Group's revenue are as follows:-

	Operating Segments	2014 RM	2013 RM
Two (2) major customers	Molding and timber	5,931,330	2,304,938
One (1) major customer	Nursery	303,457	-
		6,234,787	2,304,938

(c) Operating Segments

The Group is organised into five (5) major operating segments as follows:-

- (i) Molding and timber
Manufacturing and selling of timber and timber products and provision of kiln drying services.
- (ii) Logging
Logging contractor and provision of forest management services.
- (iii) Construction and development
Provision of construction, development and related services.
- (iv) Agriculture
Nurturing of biological assets.
- (v) Investments and others
Investment holding and sale of ice blocks.

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

39. SEGMENT INFORMATION (Continued)

(c) Operating Segments (Continued)

2014	Molding and Timber RM	Construction and Development Logging RM	Agriculture RM	Investment and Other RM	Adjustments and Eliminations RM	Consolidated RM
Revenue	8,906,714	11,374	348,296	81,859	(370,053)	8,978,190
External sales						
Results:						
Segment results	(1,329,353)	(16,234)	(182,140)	(2,692,206)	2,586,363	(1,638,084)
Share of losses in an associate	-	-	-	-	(218,130)	(218,130)
Realised foreign exchange loss (Note 27)	(19,151)	-	-	-	-	(19,151)
Unrealised foreign exchange loss (Note 27)	(26,050)	-	-	-	-	(26,050)
Depreciation (Note 7 and 27)	(1,450,257)	(100,954)	(10,229)	-	-	(1,561,440)
Amortisation of plantation development expenditure (Note 8 and 27)	-	-	(15,689)	-	-	(15,689)
Amortisation of biological assets (Note 9 and 26)	-	-	(6,448)	-	-	(6,448)
Finance costs (Note 30)	(191,187)	-	-	-	-	(191,187)
Income tax expense (Note 31)	-	-	-	-	-	-
(Loss)/Profit after taxation	(3,015,998)	(117,188)	(214,506)	(2,692,206)	2,368,233	(3,676,179)
Non-controlling interest	-	-	-	-	21,451	21,451
Net (loss)/profit for the financial year	(3,015,998)	(117,188)	(214,506)	(2,692,206)	2,389,684	(3,654,728)
Assets						
Segments assets	46,274,010	131,335	2,749,776	610,681	46,968,287	52,985,334
Liabilities						
Segment liabilities	29,084,799	7,433,428	2,521,314	834,003	15,978	6,730,456

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

39. SEGMENT INFORMATION (Continued)

(c) Operating Segments (Continued)

2013	Molding and Timber RM	Logging RM	Construction and Development RM	Agriculture RM	Investment and Other RM	Adjustments and Eliminations RM	Consolidated RM
Revenue	3,916,543	496,989	-	25,607	5,520	(365,320)	4,079,339
External sales							
Results:							
Segment results	(2,295,590)	35,067	(7,297)	(8,959)	(2,664,529)	2,568,903	(2,372,405)
Realised foreign exchange gain (Note 27)	5,125	-	-	-	-	-	5,125
Unrealised foreign exchange gain (Note 27)	42,967	-	-	-	-	-	42,967
Gain on disposal of non-current assets held for sale (Note 27)	-	1,814,300	-	-	-	-	1,814,300
Share of losses in an associate	-	-	-	-	-	(113,016)	(113,016)
Depreciation (Note 8 and 27)	(1,500,481)	(104,389)	-	(2,565)	-	-	(1,607,435)
Amortisation of plantation development expenditure (Note 9 and 27)	-	-	-	(12,417)	-	-	(12,417)
Finance costs (Note 30)	(294,801)	-	-	-	-	-	(294,801)
Income tax expense (Note 31)	-	-	1,580	-	-	-	1,580
(Loss)/Profit after taxation	(4,042,780)	1,744,978	(5,717)	(23,941)	(2,664,529)	2,455,887	(2,536,102)
Non-controlling interest	-	-	-	-	-	1,191	1,191
Net (loss)/profit for the financial year	(4,042,780)	1,744,978	(5,717)	(23,941)	(2,664,529)	2,457,078	(2,534,911)
Assets							
Segments assets	48,505,975	282,521	2,754,309	665,242	49,657,064	(46,245,848)	55,619,263
Liabilities							
Segment liabilities	28,627,288	7,467,426	2,521,333	674,058	12,549	(33,287,927)	6,014,727

Notes To The Financial Statements

For The Financial Year Ended 31 August 2014 (Continued)

39. SEGMENT INFORMATION (Continued)

(d) Geographical Non-Current Assets

The non-current assets information of the Group based on geographical location are as follows:-

	2014 RM	2013 RM
Malaysia	37,030,497	37,206,576
Lao People's Democratic Republic	2,734,210	2,952,340
	39,764,707	40,158,916

40. SIGNIFICANT SUBSEQUENT EVENT

There are no significant event after the end of the financial year.

41. SUPPLEMENTARY INFORMATION

Breakdown of accumulated losses into realised and unrealised

The breakdown of the accumulated losses of the Group and of the Company as at 31 August 2014 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Accumulated losses				
- Realised	(54,295,297)	(50,743,681)	(44,666,651)	(41,974,445)
- Unrealised	(1,072,301)	(969,189)	-	-
	(55,367,598)	(51,712,870)	(44,666,651)	(41,974,445)

LIST OF PROPERTIES

AS AT 31ST AUGUST 2014

Location	Description/ Existing Use	Tenure/ Expiry Date	Date of Acquisition/ (Revaluation)	Land Area (Hectares)	Age of Building (Years)	Net Book Value (RM'000)
Country Lease 025339566, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah.	Consist of main office, tool and saw-doctoring rooms, machinery sheds, kiln drying bays, boiler buiding, stacking sheds, labourline, canteen and a timber workshop.	99 years lease expiring on 31 December 2064	31/08/1990/ (02/05/2012)	4.046	21	10,723
Country Lease 025348298, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah.	Consist of machinery sheds, generator set room, kiln drying bays, staff quarters and with gross floor area of 99,880 square feet. The Buiding is adjoining the property mentioned above.	99 years lease expiring on 31 December 2096	28/08/1997/ (02/05/2012)	2.683	18	11,864
Country Lease 025359951, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah.	Open shed timber stock and moulidng yard	99 years lease expiring on 31 December 2098	01/04/2004/ (02/05/2012)	2.515	12	5,913

ANALYSIS OF SHAREHOLDINGS

AS AT 31ST DECEMBER 2014

SHARE CAPITAL

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

SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of total Shares
Less than 99	42	3.86	1,376	0.00
100 – 1,000	64	5.89	27,980	0.01
1,001 – 10,000	756	69.55	3,558,856	1.11
10,001 – 100,000	187	17.20	4,252,452	1.33
100,001 – 15,999,999	35	3.23	106,203,340	33.19
Above 16,000,000 *	3	0.27	205,955,996	64.36
(*5% & above of issued shares)				
Total	1087	100.00%	320,000,000	100.00%

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 31ST DECEMBER 2014

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

Note :-

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

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

STATEMENT OF DIRECTORS' INTEREST IN SHARES AS AT 31ST DECEMBER 2014

Name	NWP Holdings Berhad	
	Direct Interest No. of ordinary shares of RM0.25 each	Indirect Interest
Wong See Ming	19,407,000	160,355,996 * 27,200,000 **
Wong Wee Kean	16,000	-
Chang Chee Ching	53,340	224,668 ***

Note :-

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

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

*** Deemed interest by virtue of his wife, Teh Beng Geok's interest in the Company.

LIST OF 30 LARGEST SHAREHOLDERS AS AT 31ST DECEMBER 2014

No.	Name of Shareholders	No. of Shares	Percentage
1	Sepang Heights Sdn Bhd	160,355,996	50.11
2	Cashflow Budget Sdn Bhd	27,200,000	8.50
3	RHB Capital Nominees (Tempatan) Sdn Bhd	18,400,000	5.75
4	Poh Choo Chin	15,739,468	4.92
5	Chan Wai Peng	14,633,632	4.57
6	Cheok Wi Kim	14,203,596	4.44
7	Tegas Erti Sdn Bhd	13,580,000	4.24
8	Rimba Plantation Sdn Bhd	9,476,000	2.96
9	Wong Oi Sang	6,405,332	2.00
10	Hoh Kim Ling	5,338,668	1.67
11	Pang Kwee Yin	5,333,336	1.67
12	Heliodoro Canalija Dayanan	4,944,000	1.55
13	Wong Yoon Moi	4,538,668	1.42
14	Lim Keng Loong	2,868,432	0.90
15	Ding Ming Tiong	1,440,936	0.45
16	Cartaban Nominees (Asing) Sdn Bhd	900,000	0.28
17	Wong Siew Fong	834,600	0.26
18	Kee Wah Seng	730,000	0.23
19	Lum Chee Keong	629,100	0.20
20	Wong See Ming	623,200	0.19
21	Wong Say Hong	538,668	0.17
22	Tok Boon Seong	390,200	0.12
23	Wong See Ming	383,800	0.12
24	Choo Kam Lee	312,200	0.10
25	Ng Ah Meng	276,200	0.09
26	Richard Bainon @ Rayner	237,800	0.07
27	Teh Beng Geok	224,668	0.07
28	Khor Chin Guan	209,500	0.07
29	Maybank Nominees (Tempantan) Sdn Bhd	200,000	0.06
30	Lee Siew Ing	168,000	0.05

FORM OF PROXY

FIFTEENTH ANNUAL GENERAL MEETING

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

of
(Full address)

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

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

of
(Full address)

or failing him/her the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at *The View Room (11th Floor), The Royale Bintang Damansara, 6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan* on Thursday, 26 day of February 2015 at 9.00 a.m. and at any adjournment thereof *for / against the resolution(s) to be proposed thereat.

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

RESOLUTIONS	ORDINARY BUSINESS	FOR	AGAINST
Ordinary Resolution 1	Adoption of Audited Financial Statements of the Company for the year ended 31st August 2014 together with Reports of the Directors and Auditors.		
Ordinary Resolution 2	Re-election of Mr. Chang Chee Ching as Director pursuant to Article 84		
Ordinary Resolution 3	Re-election of Mr. Wong See Ming as Director pursuant to Article 77		
Ordinary Resolution 4	To reappoint Messrs. T.H. Kuan & Co. as the Company's Auditors and to authorize the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
Ordinary Resolution 5	As Ordinary Resolution: - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		

Signed this _____ day of _____ 2015



No. of shares held

Signature(s) of Shareholder(s)

* Delete where applicable

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
4. A member who is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 may appoint one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, it must be either under its seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing the proxy must be deposited at the Registered Office of the Company at Unit 1119, 11th Floor, Block A, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

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Affix
Stamp
Here

To:

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

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

www.nwp.com.my