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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Sri Kee Soon Ling
(Chief Executive Officer)

Mr. Wong See Ming
(Executive Director)

Mr. Tan Shiah Huei
(Independent Non-Executive Director)

Mr. Yew Onn Chong
(Independent Non-Executive Director)

Mr. Mak Hon Leong
(Non-Independent Non-Executive Director)

AUDIT COMMITTEE

Mr. Tan Shiah Huei *(Chairman)*
Mr. Yew Onn Chong *(Member)*
Mr. Mak Hon Leong *(Member)*

REMUNERATION COMMITTEE

Mr. Tan Shiah Huei *(Chairman)*
Mr. Yew Onn Chong *(Member)*
Mr. Mak Hon Leong *(Member)*

INVESTMENT COMMITTEE

Dato' Sri Kee Soon Ling *(Chairman)*
Wong See Ming *(Member)*

NOMINATION COMMITTEE

Mr. Tan Shiah Huei *(Chairman)*
Mr. Yew Onn Chong *(Member)*
Mr. Mak Hon Leong *(Member)*

SHARE ISSUANCE SCHEME (SIS) OPTION COMMITTEE

Dato' Sri Kee Soon Ling *(Chairman)*
Mak Hon Leong *(Member)*

COMPANY SECRETARY

Encik Mohd Zakie Bin Soad (LS 0008268)

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

AUDITORS

Messrs. Ecovis AHL PLT
No 9-3, Jalan 109F,
Plaza Danau 2, Taman Danau Desa,
58100 Kuala Lumpur
Tel : +6(03) 7981 1799
Fax : +6(03) 7980 4796

PRINCIPAL PLACE OF BUSINESS

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

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

REGISTRAR

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Main Board)

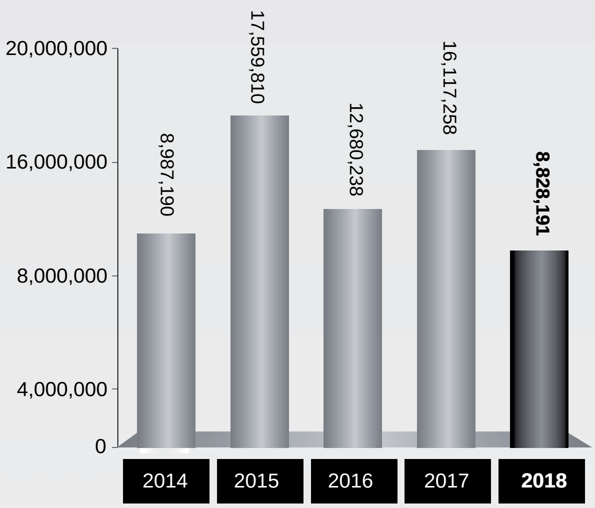
SOLICITORS

Weng Seng & Co Advocates & Solicitors

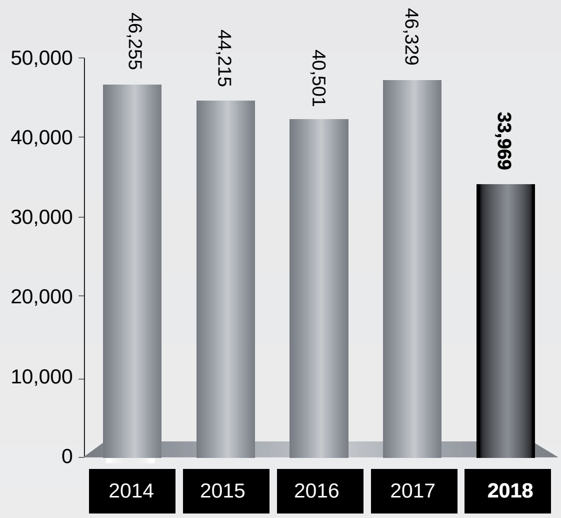
GROUP FINANCIAL HIGHLIGHTS

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenue	8,987,190	17,559,810	12,680,238	16,117,258	8,828,191
Loss Before Taxation	(3,676,197)	(2,064,728)	(2,991,024)	(12,116,730)	(18,105,454)
Loss Attributable to Owners	(3,654,728)	(2,040,106)	(2,896,113)	(11,971,197)	(18,031,418)
Net Loss Per Share (sen)	(1.14)	(0.64)	(0.91)	(3.32)	(4.60)
Net Assets	46,254,878	44,215,395	40,501,020	46,328,976	33,968,535

REVENUE RM'000



NET ASSETS RM'000



GROUP STRUCTURE

NWP HOLDINGS BERHAD
495476-M
(Incorporated in Malaysia)

- 100% — **NWP INDUSTRIES SDN. BHD.**
(141753-X)
(Incorporated in Malaysia)

- 100% — **NWP BUILDER SDN. BHD.**
(897521-X)
(Incorporated in Malaysia)

- 100% — **DMKT TIMBER SDN. BHD.**
(742546-T)
(Incorporated in Malaysia)

- 100% — **NWP O&M SDN. BHD.**
(742514-H)
(Incorporated in Malaysia)

PROFILE OF MEMBERS OF BOARD OF DIRECTORS

DATO' SRI KEE SOON LING
Chief Executive Officer
Aged 44, Male, Malaysian

Dato' Sri Kee Soon Ling was appointed to the board of Directors on 06 May 2016 as the Executive Director of the Company on 16th November 2016, Dato' Sri Kee Soon Ling was redesigned as the Chief Executive Officer of the Group.

Dato' Sri Kee Soon Ling worked in ING Insurance Company as group sales manager since 1998. It is in the year 2003 when Dato' Sri Kee Soon Ling stumbled upon the opportunity and begun his business venture in Real Estate Agency business. Dato' Sri Kee Soon Ling had vast experience in property industry.

He worked as ex-head of marketing at Centrelised Realty and marketing consultant at Juste Land Company in 2003. After that, he had served for Rega Home as Ex-head of marketing and soon became marketing consultant in JYMS Properties, Nice Properties, ZYG Property, Home Realty in 2004 and YL Realty in 2009. In 2010, Dato' Sri Kee Soon Ling was appointed as Chief Executive Officer of GS Realty Sdn. Bhd. and currently he served as Director of GS Realty Sdn. Bhd..

Currently, Dato' Sri Kee Soon Ling oversees the entire business development, corporate affairs and personally executes the strategic business planning for the Group. His foresight and entrepreneur skill will be the main driving force for the Group's future.

He has attended eight (8) Board Meetings held in the FYE 2018.

Dato' Sri Kee Soon Ling directly holds 38,188,500 shares of the company.

Dato' Sri Kee Soon Ling has no family relationship with any director of the Company. He has no conflict of interest with the Company and has no conviction for offences within the past ten years other than traffic offence.

WONG SEE MING
Executive Director
Aged 52, Male, Malaysian

Mr. Wong See Ming is an Executive Director of the Company appointed by the Board on 16 April 2018.

Mr. Wong See Ming 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. In total, he has more than twenty-four years of experience in the timber industry, palm oil industry, and other investment sectors.

He has attended three (3) Board Meetings held in FYE 2018.

Mr. Wong See Ming Ling directly holds 19,407,000 shares of the company.

Mr. Wong See Ming 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.

PROFILE OF MEMBER OF BOARD OF DIRECTORS (Continued)

Mr. Yew Onn Chong
Independent Non-executive Director
Aged 64, Male, Malaysian

Mr. Yew Onn Chong is an Independent and Non-Executive Director of the Company, appointed to the board of Directors on 20 October 2016.

Mr. Yew Onn Chong completed his secondary education at SMJK Katholik Petaling Jaya. The next four years after completing his secondary education, he helped out his family's business involving traditional Chinese medicine.

The experience garnered in his family's business from the beginning has ignited his interest in starting his own business where he ventured into the used car dealership business under the name of Syarikat Jaya Motor. Having acquired more entrepreneurial skills and business acumen, he diversified his business to the import and distribution of Household Appliances when he spotted the opportunity in the direct selling industry which was then still in its infancy. The name of the Company handing the import of Household Appliances was Syarikat Asa Trading and for the distribution was Syarikat Gemini Trading.

As a fledgling and adventurous businessman, Mr. Yew Onn Chong then made his foray into investing in properties. Along the way he managed to gain the knowledge of the legal framework of buying and selling of properties, property investment condition and the intricacies of the property market environment as a whole. He then realized that there were bright future in the real estate agency business and he started his own real estate agency during that time. When the board valuers, Appraisers and Estate Agents was established to regulate real estate agents practices in Malaysia, Mr. Yew Onn Chong got himself registered with the board as a qualified Real Estate Agent.

Mr. Yew Onn Chong is currently an Executive Director GS Realty Sdn. Bhd.. GS Realty Sdn. Bhd. is ranked as one of the largest Real Estate Agencies in Malaysia. The success of GS Realty Sdn. Bhd. is attributed to the visionary of Mr. Yew Onn Chong.

He also holds position in the following local associations and schools:-

1. President of Persatuan Char Yong Selangor and Wilayah Persekutuan
2. President of Persatuan Char Yong Li Chee Selangor dan Wilayah Persekutuan
3. vice President of Persatuan Chha Yong Fay Choon Selangor dan Wilayah Persekutuan
4. Assistant Honorary General Secretary of Federation of Taipu (Chha Yong) Association Malaysia
5. Director of the Association of Kwong Tong Cemetery Management Kuala Lumpur
6. Director of the board of SJK (C) Nan Kai
7. Honorary Treasurer of SJK (C) Kung Min

Mr. Yew Onn Chong is a member of the Audit Committee, Nomination Committee, and Remuneration Committee of the Company. He has attended nine (9) Board Meetings, six (6) Audit Committee Meetings, two (2) Nomination Committee Meetings and one (1) Remuneration Committee Meetings held in FYE 2018.

Mr. Yew Onn Chong directly holds 1,500,000 shares of the company.

Mr. Yew Onn Chong 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.

PROFILE OF MEMBER OF BOARD OF DIRECTORS (Continued)

Mr. Tan Shiah Huei
Independent Non-executive Director
Aged 64, Male, Malaysian

Mr. Tan Shiah Huei is an Independent and Non-Executive Director of the Company, appointed to the Board of Directors on 4 June 2018.

He is an accountant by profession and has been involved in the auditing and accounting profession since 1988. He has been attached to Moores Rowland, an international accounting firm from 1990 to 1999 and was in charge of the audit of Public Listed Companies, Private Companies and Multi-National Companies. Between 2000 to 2004 he was the Head of Finance and Sales Support unit of Sanyo Sales and Services Sdn. Bhd. He is currently the Chief Financial Officer of Sistem Hospital Awasan Taraf Sdn. Bhd.

Mr. Tan Shiah Huei is the Chairman of the Audit Committee, Nomination Committee, and Remuneration Committee of the Company. He has attended three (3) Board Meetings and one (1) Audit Committee Meetings held in FYE 2018.

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

Mr. Mak Hon Leong
Non-independent Non-executive Director
Aged 35, Male, Malaysian

Mr. Mak Hon Leong a Non-Independent and Non-Executive Executive Director, appointed to the board of Directors on 17 June 2016.

He completed his education at Taylor’s University.

Mr Mak Hon Leong is an accomplished business person, who possesses wide and various experiences in trading, marketing, networking and property industry. It is in the year 2003 when Mr Mak begun his business venture in Real Estate Agency business. He served as marketing agents in Centrelised Realty, Rega Home, JYMS Property and ZYG Property where he is the record holder of top sales during his stay for the companies. Upholding spirit of Go beyond, Mr Mak has actively involved himself in Import and Export Garments business since 2004 as business advisor.

Mr. Mak Hon Leong is also a business owner for Import and Export IT accessories since 2005 where he performed his excellent entrepreneurial talent. With his sharp business mind and outstanding performance, he soon became project consultant for Justeland Company from year 2007 untill 2009. Having the urge to lead real estate profession towards extraordinary and remarkable one, he then established a real estate agency named GS Realty Sdn. Bhd. in 2010, where he plays the role as Chief Executive Officer and guides the company to expand exponentially and soon become one of the largest Real Estate Agency in terms of manpower in less than 5 years in Malaysia.

Mr. Mak Hon Leong is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Share Issuance Scheme Option Committee of the Company. Mr. Mak Hon Leong has attended eight (8) Board Meetings, and one (1) Audit Committee Meeting, two (2) Nomination Committee Meetings, one (1) Remuneration Committee Meeting and two (2) Share Issuance Scheme Option Committee Meetings held in FYE 2018.

Mr. Mak Hon Leong directly holds 30,013,000 shares of the company.

Mr. Mak Hon Leong 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.

CHIEF EXECUTIVE OFFICER'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors ("the Board"), I am pleased to present the Annual Report and audited Financial Statements of NWP Holdings Berhad ("NWP" or "the Group") for the financial year ended 31 August 2018 ("FYE 2018").

Business and Operations Overview

The Group is principally involved in wood-based industry which is manufacturing of wood moulding, priming timber and laminated timber, trading of sawn timber, plywood and veneer, provision of kiln drying services, sawmilling service and trading of agricultural products. In FYE 2018, timber related products remained a main contributing income with 99.9% to group revenue.

The Group's wood moulding products were exported solely to China in FYE 2018. The Group's export sales contributed 89% to total revenue in FYE 2018. Component of raw material are sourced from the state of Sabah.

On 30 August 2018, NWP announced to Bursa Securities that it entered into conditional Shares Sale Agreement with Ms. Bo Pandala for disposal of 25.66% equity interest in NWP Lao Industries Co., Ltd ("NWP Lao"), representing the Company entire investment and beneficial interest in NWP Lao, for a total consideration of USD200,000. The disposal will enable the Group to focus its resources and capital for allocation to its core business in Malaysia.

Financial Performance

FYE 2018 has been a challenging year as being affected by the shortage of raw materials supply.

For the FYE 2018, the Group registered a total revenue of RM8.83 million, a decrease of 45.2% amounted to RM7.29 million as compared to previous financial year. The decrease was attributable to shortage of logs supply. As a result of such shortage, the Group reported a gross loss margin of 13% in FYE 2018, as compared to gross profit margin of 2.8% in financial year ended 31 August 2017 ("FYE 2017").

The administrative and operating costs for the Group were RM16.93 million in FYE 2018, compared to RM12.63 million in previous financial year. The increase of RM4.3 million was mainly due to higher impairment on receivables by RM11.57 million in FYE 2018. The increase from the above is partially offset against by lower provision of shared based payment expense by RM7.1 million in FYE 2018, as compared to previous financial year.

The loss after tax and controlling interest of RM18.03 million was arrived after taking into account of impairment on receivables amounting to RM11.76 million.

The Group capital expenditure and working capital requirements have been financed by cash generated from operations. Cash and cash equivalents increased to RM2.22 million in FYE 2018, as compared to RM0.94 million in FYE 2017. The increase was mainly resulted from disposal of associates and property, plant and equipment.

Risk

In the pursuit of our business goals, business continuity and risk management have always been at the forefront as the Group is exposed to risks that could impact our operational and financial performance.

Insufficient supply of quality logs for production is the principal risk that may have material impact on the Group operations. To address this risk, the management continuously explore new raw material sources to ensure consistent supply at economic prices. Continuous efforts to improve production processes to reduce wastages and improve recovery rate are also implemented.

CHIEF EXECUTIVE OFFICER'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The Group's products are mainly export to foreign markets which will directly exposed to exchange rate fluctuations that may affect the group revenue. To mitigate the exchange risk, close monitoring on exchange rate fluctuations and product pricing revamp when necessary to ensure product's competitiveness.

Such risks are inherent to the nature of business of the Group, which are manageable through various control and mitigating measures. The Board closely and continuously monitor and review any identified risks and the effectiveness of actions taken to mitigate and minimise them.

Outlook and Prospect

China has always been the major customer of the Group. As China's domestic forest harvest is decreasing, the timber demand from China remains promising with growth expected to arise from various positive factors and stablising economies.

The Group will increase efforts in procuring raw material sources for more consistent supply at economic prices. It is the commitment of the Group to improve its earnings growth for the sustainability of the Group.

Barring unforeseen circumstances, the Board of Directors is cautiously optimistic that the Group will continue to improve its performance for the financial year ending 31 August 2019.

DIVIDEND

The Group does not have a formal dividend policy. The Board does not recommend any payment of dividend for the current financial year under review. Any future dividends and the size thereof will be determined on the basis of the Group's long-term growth, earnings trend and capital requirements, taking into account the current objectives and strategies adopted.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my heartfelt thanks to all my fellow Board members for their invaluable advice and undivided support, and to management team and staff for their dedication.

On behalf of the Board, I would like to express my utmost appreciation to all valued shareholders, customers, suppliers, bankers, business associates, government agencies and regulatory authorities for their unwavering support and confidence in our Group.

Thank you.

Dato' Sri Kee Soon Ling
Chief Executive Officer.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to ensure that a high standard of corporate governance is practiced throughout the Group in discharging its responsibilities with integrity, transparency and professionalism, to protect and enhance shareholders' value and the financial position of the Group.

The Board acknowledges the importance of good corporate governance and fully supporting the principles and best practices promulgated in the Malaysian Code on Corporate Governance 2017 ("MCCG 2017"). The Corporate Governance Overview Statement ("CG Statement") is to be read together with Corporate Governance Report ("CG Report"), based on prescribed format as outlined in paragraph 15.25 of the Main Market Listing Requirements. The CG Statement and CG Report are available for reference on the Group's website at www.nwp.com.my.

The Board is pleased to present the following statement which describes how the Company has applied the principles and practices as set out in the Code that has been in place throughout the FYE 2018.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 – BOARD RESPONSIBILITIES

Board Leadership on Objectives and Goals

The Board's pivotal role is to lead and establish the Group's vision, provision of strategic direction, formulation of policies and enhancement of resources for the Group. The Board takes into consideration the interests of all stakeholders in the decision making process so as to ensure the Group's objectives of creating long term shareholder value are met.

An effective Board is the one that made up of a combination of executive directors with intimate knowledge of the business and non-executive directors from diversified industry/business background to bring broad business and commercial experience to the Group. The Group is led by a strong and experienced Board under the Chief Executive Officer.

The Board will normally hold meetings at least four (4) times in each financial year to consider:
i) Relevant operational reports from the management;
ii) Reports on the financial performance;
iii) Quarterly financial statements for announcement to authorities; and
iv) Major issues and opportunities for the Group, if any.

As part of its efforts to ensure effective discharge of its duties, the Board has delegated certain functions and responsibilities to the following Board Committees:
- Nominating Committee;
- Remuneration Committee;
- Investment Committee;
- Share Issuance Scheme (SIS) Option Committee; and
- Audit Committee.

All Board Committees do not have executive power but report to the Board on all matters considered and the ultimate responsibility for decision making on recommendations presented by the Board Committees lies with the Board.

CORPORATE GOVERNANCE STATEMENT (Continued)

Access to information and advice

Management has an obligation to provide the whole Board with complete, well-focused and adequate information of which it is aware of in order to discharge the Board's responsibilities. The Board therefore expect to receive timely advice on all material information about the Group, its operating units, its activities and performance, particularly any significant variances from the planned course of progress. As a general rule, the agendas and papers on subjects discussed during Board meetings are disseminated to the Board in a timely manner prior to the Board meetings to accord sufficient time for their review, consideration and to seek clarification (if any) so as to enable them to participate effectively in Board deliberations and decisions making. This, in turn, enable the time at the Board meeting to be conserved and used for focused discussion. All Directors have the rights and duties to make further enquiries whenever necessary.

The Board may seek independent advice at the Group's expense, in the furtherance of their duties to make well-informed decision.

Company Secretaries

The Board is supported by qualified and competent Company Secretaries to provide sound governance advice, ensure adherence to Board policies and procedures, laws and regulatory requirements, and advocate adoption of corporate governance best practices in addition to the administrative matters. All Directors have full access to the advice and services of the Company Secretaries at all times.

Board Charter

The Board has adopted a Board Charter which provides Directors with greater clarity regarding the role of the Board, the requirements of Directors in carrying out their roles and discharging their duties to the Company and the Board's operating practices.

The Board Charter is reviewed and updated periodically in line with charges in the expectations of the investing public and stakeholders of the Company in general and the guidelines issued by the regulatory authorities. The Board Charter is available on the Company's website at www.nwp.com.my.

Ethical Standards through Code of Conduct

The Board is committed in maintaining a corporate culture which engenders ethical conduct. The Board has formalised the Code of Conducts which summarises what the Company must endeavor to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur.

The Board will review the Code of Conduct when necessary to ensure it remains relevant and appropriate. The details of the Code of Conduct are available for reference at the Company's website at www.nwp.com.my.

The Board has also adopted a Whistleblowing Policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. The details of the Whistleblowing Policy are available at the Company's website at www.nwp.com.my.

Business Sustainability

The Board is mindful of the importance of business sustainability and reviews operational practices which impact on sustainability of environment, governance and social aspects of its business on a regular basis.

The Group is committed to the continuous efforts in maintaining a delicate balance between its sustainability agenda and other stakeholders' interest. The details of the sustainability efforts are set out in the "Corporate Sustainability Statement" of this Annual Report.

CORPORATE GOVERNANCE STATEMENT
(Continued)

PART 2 – BOARD COMPOSITION

Board Balance

The Board consists of five (5) members comprising two (2) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. The Directors have the necessary skills, experience, qualification and other core competencies, in order to carry sufficient weight in making balanced, objective and accountable decisions.

The present of Independence Directors provide a good complementing role to ensure a balance of power and authority. The role of Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and examined as they provide unbiased and independent views, advice and judgement to take account of interest, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conduct business.

The current size and composition of the Board are considered adequate to provide an optimum mix of skills, experience and expertise. The Board is of the view that with the current Board composition, there is no imbalance of power and authority on the Board between non-independent and independent directors. The Board will continue to monitor and review the Board size and composition from time to time.

Tenure of Independence Directors

The Board is mindful that the recommendations of the MCCG 2017 where the tenure of an independent director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval.

The Board has, through the Nominating Committee, adopted the same criteria of independence as set out in the Listing Requirements to assess the Independent Directors on an annual basis. In assessing the independence of Independent Directors, the Board, taking into account the individual Director's ability to exercise independent judgement at all times and to contribute to the effective functioning to the Board.

The Board, through the Nominating Committee has assessed all the Independent Directors and concluded that they met the criteria and are able to bring unbiased, independent view and advice in discharging their duties and responsibilities.

As at the date of this statement, none of the independent directors had served the Company for more than nine (9) years.

Directors' Training

The Board recognises the importance of training as a continuous education process for the Directors in order to ensure that the Directors stay abreast of the latest developments and changes in laws and regulations, business environment and new challenges and to equip the Directors with the necessary knowledge and skills to enable them to fulfill their responsibilities and to discharge their duties effectively.

The Directors are briefed by the Company Secretaries on the letters and circulars issued by the Bursa Securities at every Board Meeting. They continue to remain updated on industrial practice, business environment, IT products and knowledge.

CORPORATE GOVERNANCE STATEMENT
(Continued)

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

Directors	Courses attended
Dato' Sri Kee Soon Ling	Financial Reporting
Wong See Ming	Financial Reporting
Tan Shiah Huei	Financial Reporting
Yew Onn Chong	Financial Reporting
Mak Hon Leong	Financial Reporting

Nominating Committee

The Nominating Committee ("NC") comprises three (3) Non-Executive Directors. The present members of the NC are as follows:

Chairman	Tan Shiah Huei	Independent Non-Executive Director
Members	Yew Onn Chong	Independent Non-Executive Director
Members	Mak Hon Leong	Non-Independent Non-Executive Director

The NC is empowered to bring to the Board, recommendations as to the appointment of any new Executive or Non-Executive Director, provided that the Chairman of the NC, in developing such recommendations, consults all directors and reflects that consultation in any recommendation of the NC brought forward to the Board. In making its recommendation, the NC will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board.

During the FYE 2018, the NC undertook the following:

i) Assessed the performance of individual Directors and the Board as a whole as part of the Annual Assessment, which covered performance of the Board, Board Committee and individual Directors;
ii) Conducted assessment of the Independent Directors and made its recommendation to the Board;
iii) Considered and recommended to the Board, the re-election of the Directors who are subject to retirement by rotation at the forthcoming AGM of the Company; and
iv) Reviewed the training needs of the Directors.

Criteria for recruitment and annual assessment of directors

The NC is responsible to recommend the identified candidate to the Board if there is vacancy arises from resignation, retirement or any other reasons or if there is a need to appoint additional director with the required skill or profession to the Board.

The Board is mindful of the importance of diversity in its composition in ensuring its effectiveness and good corporate governance. As at the date of this Statement, the Board has yet to establish any diversity policy, the Board will consider females onto the Board in due course to bring about a more diverse perspective.

Time Commitment

The existing Directors are obliged to notify the Board before accepting any new directorship in other listed issuer. The notification will include an indication of time spent on the new appointment to ensure the Directors have sufficient time to discharge their duties to the Board and other Board Committees on which they serve. All the Directors hold less than five (5) directorships in listed issuers as defined in the Listing Requirements.

CORPORATE GOVERNANCE STATEMENT
(Continued)

Directors	Number of Board Meetings Attended
Dato' Sri Kee Soon Ling *Chief Executive Officer*	8 / 9
Dato' Zhang Li *Executive Director* *(ceased on 12 February 2018)*	3 / 9
Wong See Ming *Executive Director* *(Appointed on 16 April 2018)*	3 / 9
Prof. Datuk Dr. Dominic Lau Hoe Chai *Independent Non-Executive Director* *(Resigned on 26 March 2018)*	3 / 9
Paulinus Mojiun *Independent Non-Executive Director* *(Resigned on 26 March 2018)*	3 / 9
Yew Onn Chong *Independent Non-Executive Director*	9 / 9
Mak Hon Leong *Non-Independent Non-Executive Director*	8 / 9
Tan Shiah Huei *Independent Non-Executive Director* *(Appointed on 4 June 2018)*	3 / 9

The Board is satisfied with the level of time commitment given by all the Directors in fulfilling their roles and responsibilities as Directors of the Company.

PART 3 - REMUNERATION

Remuneration Committee

The Remuneration Committee ("RC") comprises three (3) Non-Executive Directors. The present members of the RC are as follows:

Chairman	Tan Shiah Huei	Independent Non-Executive Director
Members	Yew Onn Chong	Independent Non-Executive Director
Members	Mak Hon Leong	Non-Independent Non-Executive Director

The RC met once during the FYE 2018.

The Board has adopted and formalised Remuneration Policies and Procedures for the Directors.

Each individual Directors has abstained from the Board discussion and decision making on his own remuneration.

The Remuneration Committee will be responsible for developing the remuneration policy and recommending the remuneration packages for Executive Directors of the Company and its subsidiaries so as to ensure that the remuneration package offered is sufficient to attract and retain Directors with necessary caliber, experience and quality required to run the Group in an effective and efficient manner. The fees for Non-Executive Directors are determined by the Board as a whole.

CORPORATE GOVERNANCE STATEMENT (Continued)

Details of the remuneration of the Directors of the Company and its subsidiary during FYE 2018 are as follows:

	Fees (RM)	Salaries other and emoluments (RM)	Total (RM)
Executive Director			
Dato' Sri Kee Soon Ling	40,000	-	40,000
Wong See Ming	-	297,896	297,896
Dato' Zhang Li (ceased on 12 February 2018)	80,000	-	80,000
Non-Executive Director			
Yew Onn Chong	8,000	-	8,000
Mak Hon Leong	8,000	-	8,000
Tan Shiah Huei	5,800	-	5,800
Prof. Datuk Dr. Dominic Lau Hoe Chai *(resigned on 26 March 2018)*	18,000	-	18,000
Paulinus Mojiun *(resigned on 26 March 2018)*	18,000	-	18,000
Dato' Zaidi Mat Isa *(resigned on 30 October 2017)*	4,000	-	4,000
Adrian Lasimbang *(resigned on 18 July 2018)*	3,000	-	3,000

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 – AUDIT COMMITTEE

In presenting the annual financial statements and quarterly announcement to shareholders, the Directors have fiduciary responsibility to present a balanced evaluation and comprehensive assessment of the Group's performance, position and prospects.

The Board through its Audit Committee ("AC") ensures that the quarterly financial statements and audited financial statements prepared are drawn in accordance with the provision of the Companies Act 2016, Listing Requirements and the Financial Reporting Standards in Malaysia. The AC provides assistance to the Board in fulfilling these statutory and fiduciary responsibilities with regard to the financial reporting process, reviewing the scope of and results of internal and external auditing processes and monitoring the effectiveness of the internal controls and risk management to ensure the Board makes properly informed decisions and interests of shareholders are protected.

The Company undertakes an annual assessment of the external auditors, via the AC, based on the criteria including quality of audit services, audit fees and audit independence as set out in the Auditor Independence Policy. The external auditors had provided a confirmation of their independence to the AC that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Where necessary, the AC will meet with the external auditors without the presence of Executive Directors and members of management to ensure that the independence and objectivity of the external auditors are not compromised and matters of concerns expressed by the AC are duly recorded by the Company Secretaries.

The AC, having assessed the performance and independence of Messrs Ecovis AHL PLT for FYE 2018 was satisfied with their suitability and independence and recommended to the Board for their re-appointment as external auditors at the forthcoming Annual General Meeting subject to the shareholders' approval.

CORPORATE GOVERNANCE STATEMENT
(Continued)

PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL

The Directors acknowledge their responsibilities for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system involves each business and key management from each business, including the Board, and is designed to meet the Group's particular needs and to manage the risks to which it is exposed. This system, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.

The Statement on Risk Management and Internal Control on pages 19 to 20 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

The Risk Management Committee ("RMC"), head by the Executive Director, comprises heads of the respective business units.

The RMC provides oversight and direction for the implementation and application of the Risk Management Policy and framework, reviewing Risk Management Policy and framework and make recommendation to the Board for approval, reviewing risk management process and assessing whether they provide reasonable assurance that risk are effectively managed, reviewing key business risks to ensure that action and risk mitigation plans have been implemented effectively, encouraging promotion of risk management awareness among the staff and reporting key business risks to the Board.

The Board established an independent internal audit function that reports directly to the AC assisted by RMC. This internal audit function is outsourced to an independent professional firm.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART 1 – Communication with Stakeholders

The Board and management value the importance of effective and transparent communications with shareholders and investors. This is achieved through the timely release of annual reports, quarterly announcement and other corporate announcements made to Bursa Securities. Corporate and financial information on the Group are easily assessible by the shareholders and the public through the Company's website www.nwp.com.my. The website provides up-to-date corporate details, overview of business activities and operations, Company's performance and position, annual reports and all announcements made. This ensures no selective dissemination of information and there is always symmetry of information disclosure.

PART 2 – Conduct of General Meeting

The Annual General Meeting ("AGM") is a crucial mechanism as it provides the Board an important forum for shareholders' communication. At each AGM, the Board encourages shareholders to participate in question and answer session in order to communicate their views and seek clarifications. The CEO, members of the Board, Company Secretaries, senior management and external auditors are present to address queries during the meeting.

Notice of AGM is issued and served to all shareholders at least twenty-one (21) days prior to the AGM.

Each item of special business included in the notice of the AGM is accompanied by a full explanation of the effects of a proposed resolution in order to facilitate understanding and evaluation of the issues involved. Separate resolutions are proposed at the AGM for each separate issues.

COMPLIANCE STATEMENT

The Board is satisfied that to the best of its knowledge, the Company is substantially in compliance with the principles and practices set out in the MCCG 2017 as well as the relevant Listing Requirements for FYE 2018. Any practices in MCCG 2017 which have not been implemented during the financial year will be reviewed by the Board and implemented where possible and relevant to the Group's business.

This Statement was made in accordance with the resolution of the Board date 21 December 2018.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") was established with the objective of assisting the Board in the areas of corporate governance, risk management and financial reporting.

COMPOSITION

The Audit Committee ("AC") comprises three (3) members, which all are Non-Executive Directors. The present members of the AC are as follows:-

Name of Member	Position
Mr. Tan Shiah Huei	Chairman *(Independent Non-Executive Director)* - Appointed on 4 June 2018
Mr. Yew Onn Chong	Member *(Independent Non-Executive Director)* - Appointed on 20 October 2016
Mr. Mak Hon Leong	Member *(Non-Independent Non-Executive Director)* - Appointed on 24 April 2018

The past members of AC are as follows:

Name of Member	Position
Mr. Paulinus Mujiun	Chairman *(Independent Non-Executive Director)* - Resigned on 26 March 2018
Prof. Datuk Dr. Dominic Lau Hoe Chai	Member *(Independent Non-Executive Director)* - Resigned on 26 March 2018

SECRETARY

The Company Secretary of NWP Holdings Berhad acts as the Secretary to the Audit Committee.

MEETINGS

During the FYE 2018, the AC held a total of six (6) meetings. The details of attendance of the Audit Committee members are as follows:

	Directors	Number of Meetings Attended	Percentage of Attendance (%)
Chairman:	Mr. Tan Shiah Huei (Independent Non-Executive Director)	1/6	16.7
Member:	Mr. Yew Onn Chong (Independent Non-Executive Director)	6/6	100
Member:	Mr. Mak Hong Leong (Non- Independent Non-Executive Director)	1/6	16.7

AUDIT COMMITTEE REPORT
(Continued)

All meetings to review the quarterly results and annual financial statements are held prior to such quarterly results and annual financial statements being presented to the Board for approval.

After each AC meeting, the AC reported to, and updated the Board on significant issues and concerns discussed during the AC meetings and where appropriate, made the necessary recommendations to the board.

Representatives from the External Auditors and Internal Auditors, as the case may be, and the Accountant were in attendance to present the relevant reports and proposals to the AC at the meetings which included inter alia, the Auditors' audit plans and audit reports, the quarterly results of the Company and the audited financial statements for the FYE 2018.

In the AC meetings, the external auditors were given opportunities to raise any matters and gave unrestricted access to the external auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or reviews. Minutes of the AC meetings were tabled for confirmation at the following AC meeting and subsequently presented to the board for notation.

SUMMARY OF ACTIVITIES

The AC activities during the financial year under review comprised the following:-

Quarterly financial statements and audited financial statements

- Review the audited financial statements of the Group and the Company, including announcement thereto, prior to submission to the Board for their perusal and approval and release of the Group's result to Bursa Securities;
- Reviewed the annual audited financial statements of the Group before recommending to the Board for their approval and release of the Group's results to Bursa Securities;
- Review of external audit planning memorandum on the statutory audit of the Group for the FYE 2018;
- Reviewed and discussed with the external auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;
- Evaluated the performance of the external auditors for the FYE 2018 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the external auditors;
- Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
- Reviewed the effectiveness of the Group's system of internal control;
- Reviewed the proposed fees for internal auditors;
- Reviewed related party transactions and conflict of interest situation that may arise within the Company or the Group;
- Reviewed the Company's compliance with the Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and
- Report to the Board on its activities and significant findings and results.

STATEMENT ON RISK MANAGEMENT AND 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, the Group's assets and the interest of other stakeholders. The Board is pleased to present the Statement on Risk Management and Internal Control which outlines the Group's internal control framework and risk management system for the FYE 2018 pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Statement of Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board recognises the importance of a sound system of internal control and risk management practices for a 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 is also aware that reviewing of the Group's risk management and internal control system is a concerted and a continuing effort and process.

The system of risk management and internal control is designed to manage and minimize 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 the occurrence of any material misstatement, loss or fraud.

The system of risk management and internal control are designed to achieve the following objectives :-
- Safeguard the shareholders' interest and assets of the Group;
- Ensure the achievement of corporate objectives;
- Ensure compliance with regulatory requirements; and
- Identify and manage risk affecting the Group.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of business operations. The Executive Director is directly involved in the day-to-day business operations of the Group and play an important role in monitoring major business risks and appraising their financial objectives.

Regular informal operational and management meetings are held to identify, discuss and resolve business and operational issues. Significant matters identified are raised to the Board for discussion during meetings.

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

Key elements of internal Control

The Board together with management ensures that there is a sound internal control framework and ongoing process of identifying, evaluating, monitoring and managing the significant risks faced by the Group in the achievement of its objectives and strategies.

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 trial of accountability.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Continued)

Management accounts and reports are prepared on a monthly basis for effective monitoring, decision making and facilitate effective discussion at Board meetings on a quarterly basis. Effective reporting systems, which exposes significant variance against prior year and/or period figures are in place to monitor performance. Key variances are followed up by the management and reported to the Board on a quarterly basis.

Each Head of Departments who have accumulated years of experience within the Group exercise a hand-on approach on the operational and financial affairs of the 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 Group.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

This Statement has been reviewed by the External Auditors for inclusion in the Annual Report in accordance with paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

RPG 5 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The report from the External Auditors was made solely for, and directed solely to the Board in connection with their compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this Statement.

CONCLUSION BY THE BOARD

The Board has reviewed the adequacy and effectiveness of the risk management and internal control system based on the information provided by the key management in the Company and the assurance provided by the External Auditors.

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

The Group's risk management and internal control system does not apply to the associate company as the Board does not have control over its operations. Notwithstanding, the Group's interests are served through representation on the Board of the associate company which provide the Board with timely information and decision making in relation to the investment in its associate company.

No material losses were incurred during the financial year under review as a result of weaknesses in risk management and the internal control system. The Board and management will continue to take adequate measures to strengthen the control environment in which the Group operates.

The Board is satisfied that the risk management an internal control system in place for the FYE 2018 are adequate and effective to safeguard shareholders' investments, the Group's assets and the interest of other stakeholders.

This Statement is made in accordance with the resolution of the Board dated 21 December 2018.

ADDITIONAL COMPLIANCE INFORMATION

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

During the financial year under review, there were no:
i) Share buybacks;
ii) American Depository Receipt (ADR) or Global Depository Receipt (GDR) programme sponsored by the Company;
iii) Material variance between the results for the financial year and the unaudited results previously announced;
iv) Profit guarantees given by the Company;
v) Material contracts between the Company and its subsidiaries that involve directors' or major shareholders interests.

1.0 Employees Share Option Scheme

The shareholders of the Company had during its Extraordinary General Meeting had on 19 September 2016 approved the establishment of Share Issuance Scheme (SIS) of up to fifteen (15%) of the Company's total issued and paid-up share capital. The SIS Options was implemented on 6 February 2017. Second batch of offer of SIS Options were granted on 23 November 2017.

Number of SIS Options over ordinary shares of RM0.12 in the Company granted on 23 November 2017

as at 1/9/2017	**surrender**	**granted**	**exercised**	**as at 31/8/2018**
30,980,000	(30,980,000)	33,220,000	(31,233,000)	1,987,000

2.0 Audit and Non-Audit Fees

Audit and non-audit fees paid or payable to external auditors for the FYE 2018 are as follows:-

	Group (RM)	**Company (RM)**
Audit fee	78,250	57,000
Non-Audit fee	-	-

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The Board remains committed to develop business in a sustainable and responsible manner and endeavor to strike a balance between business profitability and corporate social responsibility towards environment and social obligations. Sustainability is an integral part of our business model embedded with long-term profitability by mandating the management of economic, environmental and social (“EES”) risks in our business.

ECONOMY GROWTH

Business ethics and integrity are the most important core value of NWP’s culture. NWP is committed to acting ethically in all aspects of our businesses; constantly and vigilantly promoting integrity, honesty, fairness, accuracy and transparency. This applies across NWP and its subsidiaries.

We support local suppliers through purchase of local products and services. We also promote local products to overseas agents and customers which indirectly creates economic opportunities locally.

ENVIRONMENT IMPACT

The Group understands that its business operations would have an impact and implications on the environment. We constantly review and monitor our operations to make positive contribution to the environment, economic and social wellbeing of our stakeholders, employees and the broader community.

At operation facilities, machinery and equipment are maintained in good working condition to ensure minimal emission and environmental impact and wastes are disposed of in a proper and compliant manner.

In office, the Group adopts a “Go Green” policy. Where possible, paper stationery and materials are to be recycled and reused. Unwanted paper materials are collected for recycling purposes. Staffs are encouraged to fully maximise the benefits of information technology for communication and record keeping. Hard copies of documents are generated on a need basis only.

SOCIAL RESPONSIBILITY

We recognise our employees as one of the most important assets in the Group. As such, the Group continuously create a safe, please and conducive working environment for its employee. We provide equal employment opportunities and promote workplace diversity to build an inspiring working environment.

We are committed to maintain high safety and health standards within our Group. Health and Safety committee is established and responsible to cultivate safe working practices. We have also conducted Health and Safety training and briefings for our employees on frequent basis are conducted.

We believe in continuous learning and self-improvement. We invest in human capital development through training and coaching, either internally or externally. Our employees are equipped with knowledge, skills and competencies which required for them to work effectively in current volatile economic environment.

STATEMENTS OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors of the Company are required by the Companies Act, 2016 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 FYE 2018, 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.

FINANCIAL STATEMENT

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2018.

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

	Group RM	Company RM
Net loss for the financial year	(18,037,815)	(9,071,169)
Attributable to:		
Owners of the Company	(18,031,418)	(9,071,169)
Non-controlling interests	(6,397)	-
	(18,037,815)	(9,071,169)

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

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 2018.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year, other than those disclosed in the financial statements.

Issue of shares and debentures

During the financial year, 31,233,000 new ordinary shares of RM0.147 each for cash arising from the exercise of employees' share options at a weighted average exercise price of RM0.12 per ordinary share.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issuance of debentures during the financial year.

DIRECTORS' REPORT
(Continued)

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Share Issuance Scheme ("SIS").

At an extraordinary general meeting held on 19 September 2016, the Company's shareholders approved the establishment of an SIS options of up to 15% of the issued and paid-up share capital of the Company, to eligible executive Directors and employees of the Group. Bursa Malaysia Securities Berhad ("Bursa Securities") had approved in-principle the listing of the additional 15% of the issued and paid-up share capital of the Company to be issued pursuant to the exercise of the share options granted under SIS.

The salient features of the SIS scheme are, inter alia, as follows:-

i) The option granted to eligible employees of the Group including Directors of the Group (excluding dormant subsidiaries) who have been confirmed in writing as a full time employee and will lapse when they are death or no longer in employment with the Group prior to the exercise of the options. It shall be in force for a period of five years from the effective date, subject however to any extension for a further period of up to five years (not in aggregate exceeding the duration of ten years).

ii) The aggregate number of shares to be issued under the SIS shall not be more than 15% of the issued and paid up share capital of the Company at any one time throughout the duration of proposed SIS. It will, upon allotment and issue, rank pari passu in all respects with the existing shares of the Company, save and except that they will not be entitles to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is prior to the date of allotment and issuance of the SIS shares.

iii) The maximum number of SIS options shall be determined at the discretion of the SIS Option Committee after taking into consideration, amongst others, the position, performance and seniority and years of service of the eligible employees as well as such other criteria as the SIS Option Committee may deem relevant. The options granted to any Director, chief executive, major shareholder of the Company or any person connected with them must have shareholders' approval in a general meeting and shall not be more than 80% of the Company's shares under the proposed SIS.

iv) The option price shall not be at discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares immediately preceding the date of offer.

The options offered and the exercise prices are as follows:

		Number of options over ordinary shares				
Date of offer	**Exercise price**	**At 01.09.2017**	**Granted**	**Exercised**	**Surrendered**	**At 31.08.2018**
14.4.2017	RM0.205	30,980,000	-	-	(30,980,000)	-
23.11.2017	RM0.12	-	33,220,000	(31,233,000)	-	1,987,000

The names of persons who have been granted options during the financial year are as follows:

		Number of options over ordinary shares				
Name	**Exercise price**	**At 01.09.2017**	**Granted**	**Exercised**	**Surrendered**	**At 31.08.2018**
Dato' Sri Kee Soon Ling	RM0.205	12,000,000	-	-	(12,000,000)	-
Dato' Zhang Li	RM0.205	18,980,000	-	-	(18,980,000)	-
Tong Sian Shyen	RM0.12	-	21,220,000	(21,220,000)	-	-
Mak Hon Leong	RM0.12	-	12,000,000	(10,013,000)	-	1,987,000

DIRECTORS' REPORT
(Continued)

Directors

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

Dato' Sri Kee Soon Ling	
Mak Hon Leong	
Yew Onn Chong	
Wong See Ming	(Appointed on 16 April 2018)
Tan Shiah Huei	(Appointed on 4 June 2018)
Dato' Zhang Li	(Ceased on 12 February 2018)
Paulinus Mojiun	(Resigned on 26 March 2018)
Professor Datuk Dr. Dominic Lau Hoe Chai	(Resigned on 26 March 2018)

Directors' interests

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016 in Malaysia, the interests and deemed interest of Directors in office at the end of the financial year ended 31 August 2018 in the shares of the Company or its subsidiaries are as follows:

	Number of ordinary shares			
	At 01.09.2017	Bought	Sold	At 31.08.2018
The Company				
Direct interest				
Wong See Ming	19,407,000	-	-	19,407,000
Mak Hon Leong	20,000,000	10,013,000	-	30,013,000
Dato' Sri Kee Soon Ling	38,188,500	-	-	38,188,500
Yew Onn Chong	500,000	1,000,000	-	1,500,000
Indirect interest				
Wong See Ming *	77,827,196	-	-	77,827,196
Mak Hong Leong **	1,000,000	-	-	1,000,000

* Held through Sepang Heights Sdn. Bhd., which owns 21.56% equity of the Company.
** Held through Mak Hon Leong's wife, Chai Ka Vun.

By virtue of their interest in the shares of the Company, the above-mentioned Directors are also deemed interested in the shares of all the subsidiary company 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 Director of the Company has received nor become entitled to receive any benefits (other than benefit included in the aggregate amount 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 29 and 33(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 Note 33(a) 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 apart from the share options granted under the Company's Employees Share Options Scheme ("ESOS").

DIRECTORS' REPORT
(Continued)

Directors' remuneration

Details of Directors' remuneration are set out in Note 29 to the financial statements.

Other statutory information

(i) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

  (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there are no known bad debts and that adequate allowance had been made for doubtful debts; and

  (b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(ii) At the date of this report, the Directors are not aware of any circumstances:

  (a) which would render writing off of bad debts necessary or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or

  (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

  (c) not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading; and

  (d) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(iii) As at the date of this report, there does not exist:

  (a) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person; or

  (b) any contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(iv) In the opinion of the Directors:

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

  (b) There has not arisen in the internal 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 to affect substantially the results of the operations of the Group and of the Company in which this report is made.

DIRECTORS' REPORT
(Continued)

Significant events

The significant events occurring during the financial year are disclosed in Note 37 to the financial statements.

Indemnity and insurance for Directors

There was no indemnity given to or liability insurance effected for any Directors of the Company during the financial year.

Company's shareholding

The details of the Company's shareholding in its related corporations are disclosed in Note 6 to the financial statements.

Subsidiaries

Details of subsidiaries are set out in Note 6 to the financial statements.

Auditors' remuneration

Details of auditors' remuneration are set out in Note 28 to the financial statements.

Auditors

The auditors, ECOVIS AHL PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 21 December 2018.

……………………………………………………
Dato' Sri Kee Soon Ling

……………………………………………………
Wong See Ming

Petaling Jaya

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act, 2016

We, **Dato' Sri Kee Soon Ling** and **Wong See Ming**, 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 pages 35 to 93 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 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 2018 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 21 December 2018.

……………………………………………..…….
Dato' Sri Kee Soon Ling
Director

……………………………………………..….
Wong See Ming
Director

Petaling Jaya

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act, 2016

I, **Wong See Ming**, 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 pages 35 to 93, to the best of my knowledge and belief, are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed at Petaling Jaya in the
Selangor Darul Ehsan dated 21 December 2018

…….………………………………………….
Wong See Ming

Before me,

…….…………………………….
Commissioner for Oaths
Name: Ng Say Hung
No: B185

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NWP HOLDINGS BERHAD
(Incorporated in Malaysia) Company No: 495476-M

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NWP Holdings Berhad ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position as at 31 August 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 35 to 93.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2018 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Key audit matters</u>

Impairment of property, plant and equipment

Refer to Note 7 to the financial statements

Property, plant and equipment represents the most significant asset class on the statement of financial position of the Group amounting to RM 35,906,912 as at 31 August 2018. Included in property, plant and equipment are leasehold land and factory building of RM30,357,356 and plant and machineries of RM5,058,062 respectively.

We focused on this area due to significant judgement involved in determining the key assumptions used in performing the impairment test, such as estimating future revenue, revenue growth, gross margin and discount rate used in the cash flow projection prepared by the Group.

<u>How our audit addressed the key audit matters</u>

Our audit procedures included, among others, the following:

1. Check to the valuation report prepared by professional valuer, including the valuers' competency, to verify the ownership, existence and valuation of the leasehold land and factory building;

2. Performed physical sighting and observed that there is no major damage or significant repair incurred which show impairment indicators exist;

3. Evaluating the reasonableness of the key assumptions used by the management in the cash flow projection, i.e revenue growth and gross margin; and

4. Assessed the reliability of management's forecast by comparing past trends of actual financial performance against previous forecasted results.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NWP HOLDINGS BERHAD
(Incorporated in Malaysia) Company No: 495476-M (Continued)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Impairment of inventories

Refer to Note 11 to the financial statements

As at 31 August 2018, the Group's inventories amounted to RM 5,740,586 in the financial statements.

The valuation of inventories is identified as key audit matter because of the judgement involved in identifying slow moving and obsolete inventories and in assessing the level of allowance required for inventories written down.

Management periodically reviews the inventories for potential write-downs by identifying slow moving or obsolete inventories as well as evaluating their net realisable value. These reviews involves judgements and estimation uncertainty in forming expectations about future sales and demands.

Our audit procedures included, among others, the following:

1. Obtaining an understanding of management's process in determining the allowance for obsolete and slow moving inventories;
2. Assessing the consistency of management's application of the Group's policy in respect of the allowance for obsolete and slow-moving inventories;
3. Attending year end physical inventory count to observe physical existence and condition of raw material and finished goods and assessing the implementation of controls during the count;
4. Reviewing and verifying the subsequent selling price against unit cost of sample of inventory used in the final inventory listing to ensure inventories are stated at lower of cost and net realisable value; and

Impairment of trade and other receivables

Refer to Note 12 and Note 13 to the financial statements

As at 31 August 2018, the Group's carries significant trade receivables and other receivables amounted to RM1,030,865 and RM1,566,738 respectively which is subject to major credit risk exposures. The other receivables consists of non-trade receivables, deposits and prepayment.

The assessment of recoverability of receivables involves judgements and estimation uncertainty in analysing historical bad debts, debtor creditworthiness and its ability to pay and by reference to past default experience, receivables payment terms and subsequent to year end collections.

Our audit procedures included, among others, the following:

1. Reviewing the ageing analysis of trade and other receivables and testing the accuracy of ageing;
2. Enquiring management regarding action plans to recover overdue amounts;
3. Reviewing subsequent collection from major and overdue receivables;
4. Examining other audit evidence including customer correspondences, and proposed settlement plans; and
5. Evaluating the reasonableness and adequacy of the allowance for impairment of receivables being provided.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NWP HOLDINGS BERHAD
(Incorporated in Malaysia) Company No: 495476-M (Continued)

Report on the Audit of the Financial Statements (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of our auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NWP HOLDINGS BERHAD
(Incorporated in Malaysia) Company No: 495476-M (Continued)

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ECOVIS AHL PLT
AF 001825
Chartered Accountants

PAT YIN LAI
No. 03073/12/2019 J
Chartered Accountant

Kuala Lumpur
21 December 2018

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018

		GROUP		COMPANY	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
ASSETS					
Non-Current Assets					
Investment in an associate	5	-	1,723,533	-	2,980,117
Investment in subsidiaries	6	-	-	12,453,528	14,913,434
Property, plant and equipment	7	35,906,912	36,686,750	170,577	197,361
Intangible asset	8	285,515	-	-	-
Biological assets	9	-	12,098	-	-
Other investment	10	-	34,300	-	-
Total Non-Current Assets		36,192,427	38,456,681	12,624,105	18,090,912
Current Assets					
Inventories	11	5,740,586	5,769,161	-	-
Trade receivables	12	1,030,865	5,697,177	-	-
Other receivables	13	1,566,738	11,789,146	895,859	81,973
Amount due from an associate	14	-	-	-	-
Amount due from subsidiaries	15	-	-	12,453,528	14,920,534
Deposits with licensed financial institutions	16	82,640	82,558	-	-
Cash and bank balances		2,137,274	853,566	6,451	19,345
Total Current Assets		10,558,103	24,191,608	13,355,838	15,021,852
Asset held for sale	17	28,000	-	-	-
TOTAL ASSETS		**46,778,530**	**62,648,289**	**25,979,943**	**33,112,764**

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018 (Continued)

		GROUP		COMPANY	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	18	107,863,311	103,272,060	107,863,311	103,272,060
Revaluation reserve	19	17,467,198	16,364,724	-	-
Share option reserve		53,649	6,196,000	53,649	6,196,000
Accumulated losses		(91,415,623)	(79,410,764)	(83,893,411)	(81,018,242)
		33,968,535	46,422,020	24,023,549	28,449,818
Non-controlling interest		-	(93,044)	-	-
Total Equity		33,968,535	46,328,976	24,023,549	28,449,818
Non-Current Liabilities					
Other payables	22	2,624,918	-	-	-
Obligation under finance lease	24	135,674	-	-	-
Deferred tax liabilities	20	5,148,782	4,884,300	-	-
Total Non-Current Liabilities		7,909,374	4,884,300	-	-
Current Liabilities					
Trade payables	21	573,006	1,979,856	-	-
Other payables	22	2,640,665	4,136,702	300,271	122,611
Amount due to Directors	23	1,656,123	5,316,400	1,656,123	4,539,000
Obligation under finance lease	24	30,827	-	-	-
Current tax liabilities		-	2,055	-	1,335
Total Current Liabilities		4,900,621	11,435,013	1,956,394	4,662,946
Total Liabilities		12,809,995	16,319,313	1,956,394	4,662,946
TOTAL EQUITY AND LIABILITIES		**46,778,530**	**62,648,289**	**25,979,943**	**33,112,764**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

		GROUP		COMPANY	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Revenue	25	8,828,191	16,117,258	-	-
Cost of sales		(9,954,970)	(15,674,109)	-	-
Gross (loss)/profit		(1,126,779)	443,149	-	-
Other income	26	275,701	753,607	40,000	5,561
Administration expenses		(3,635,310)	(11,481,705)	(1,727,607)	(9,385,826)
Other operating expenses		(72,661)	(952,689)	-	(236,572)
Loss from operations		(4,559,049)	(11,237,638)	(1,687,607)	(9,616,837)
Finance cost	27	(119,477)	(162,078)	(17,523)	-
Impairment loss on trade receivables		(1,066,768)	(192,647)	-	-
Impairment loss on other receivables		(10,964,327)	-	(271,113)	-
Impairment loss on property, plant and equipment		(480,000)	-	-	-
Impairment losses on investment in subsidiaries		-	-	(2,529,906)	-
Impairment losses on amount due from subsidiaries and associate		-	-	(2,400,238)	(12,189,391)
Impairment losses on other investment		(6,300)	-	-	-
Loss on disposal of associate		(707,716)	-	(2,166,117)	-
Share of result in an associate		(201,817)	(524,367)	-	-
Loss before tax	28	(18,105,454)	(12,116,730)	(9,072,504)	(21,806,228)
Income tax expense	30	67,639	95,586	1,335	(1,335)
Loss after tax		(18,037,815)	(12,021,144)	(9,071,169)	(21,807,563)
Other comprehensive income item that are not reclassified subsequently to profit or loss					
Surplus on revaluation of property, plant and equipment, net of tax		1,102,474	-	-	-
Total comprehensive loss		(16,935,341)	(12,021,144)	(9,071,169)	(21,807,563)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (Continued)

	Note	GROUP 2018 RM	GROUP 2017 RM
Loss attributable to:			
Owners of the parent		(18,031,418)	(11,971,197)
Non-controlling interest		(6,397)	(49,947)
		(18,037,815)	(12,021,144)
Total comprehensive loss attributable to:			
Owners of the parent		(16,928,944)	(11,971,197)
Non-controlling interest		(6,397)	(49,947)
		(16,935,341)	(12,021,144)
Loss per share attributable to owners of the parent (Sen per share)	31	(4.60)	(3.32)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

	Attributable to Equity Holders of the Parent							
	← Non-distributable →				Distributable			
GROUP	Share capital RM	Share premium RM	Revaluation reserve RM	Share option reserve RM	Accumulated losses RM	Equity attributable to owners of the parent RM	Non-controlling interest RM	Total RM
1 September 2017	103,272,060	-	16,364,724	6,196,000	(79,410,764)	46,422,020	(93,044)	46,328,976
Release upon surrender of options granted	-	-	-	(6,196,000)	6,196,000	-	-	-
Share options granted (Note 18)	-	-	-	896,940	-	896,940	-	896,940
Share options exercised (Note 18)	4,591,251	-	-	(843,291)	-	3,747,960	-	3,747,960
Acquisition of interests from non-controlling interests	-	-	-	-	(169,441)	(169,441)	99,441	(70,000)
	4,591,251			(6,142,351)	6,026,559	4,475,459	99,441	4,574,900
Loss after tax	-	-	-	-	(18,031,418)	(18,031,418)	(6,397)	(18,037,815)
Other comprehensive income	-	-	1,102,474	-	-	1,102,474	-	1,102,474
Total comprehensive income/(loss)	-	-	1,102,474	-	(18,031,418)	(16,928,944)	(6,397)	(16,935,341)
At 31 August 2018	107,863,311	-	17,467,198	53,649	(91,415,623)	33,968,535	-	33,968,535
1 September 2016	80,000,000	11,618,960	16,364,724	-	(67,439,567)	40,544,117	(43,097)	40,501,020
Issue of ordinary shares (Note 18)	8,000,000	-	-	-	-	8,000,000	-	8,000,000
Share options granted	-	-	-	8,000,000	-	8,000,000	-	8,000,000
Share options exercised (Note 18)	3,653,100	-	-	(1,804,000)	-	1,849,100	-	1,849,100
Transfer pursuant to Section 618(2) of the Companies Act 2016	11,618,960	(11,618,960)	-	-	-	-	-	-
	23,272,060	(11,618,960)	-	6,196,000	-	17,849,100	-	17,849,100
Loss after tax	-	-	-	-	(11,971,197)	(11,971,197)	(49,947)	(12,021,144)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	(11,971,197)	(11,971,197)	(49,947)	(12,021,144)
At 31 August 2017	103,272,060	-	16,364,724	6,196,000	(79,410,764)	46,422,020	(93,044)	46,328,976

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (Continued)

	← Non-distributable	→			
COMPANY	**Share Capital RM**	**Share premium RM**	**Option reserve RM**	**Accumulated losses RM**	**Total RM**
At 1 September 2016	80,000,000	11,618,960	-	(59,210,679)	32,408,281
Issue of ordinary shares (Note 18)	8,000,000	-	-	-	8,000,000
Share options granted	-	-	8,000,000	-	8,000,000
Share options exercised (Note 18)	3,653,100	-	(1,804,000)	-	1,849,100
Transfer pursuant to Section 618(2)of the Companies Act 2016	11,618,960	(11,618,960)	-	-	-
	23,272,060	(11,618,960)	6,196,000	-	17,849,100
Loss after tax	-	-	-	(21,807,563)	(21,807,563)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(21,807,563)	(21,807,563)
At 31 August 2017	103,272,060	-	6,196,000	(81,018,242)	28,449,818
Release upon surrender of options granted	-	-	(6,196,000)	6,196,000	-
Share options granted	-	-	896,940	-	896,940
Share options exercised (Note 18)	4,591,251	-	(843,291)	-	3,747,960
	4,591,251	-	(6,142,351)	6,196,000	4,644,900
Loss after tax	-	-	-	(9,071,169)	(9,071,169)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(9,071,169)	(9,071,169)
At 31 August 2018	107,863,311	-	53,649	(83,893,411)	24,023,549

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

		GROUP		COMPANY	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOW FROM OPERATING ACTIVITIES					
Loss before tax		(18,105,454)	(12,116,730)	(9,072,504)	(21,806,228)
Adjustments for:-					
Inventories written off		-	218,379	-	-
Impairment losses on trade receivables		1,066,768	192,647	-	-
Impairment losses on other receivables		10,964,327	-	271,113	-
Impairment losses on property, plant and equipment		480,000	-	-	-
Impairment losses on investment in subsidiaries		-	-	2,529,906	-
Impairment losses on investment in an associate		-	236,572	-	236,572
Impairment losses on amount due from subsidiaries and associate		-	-	2,400,238	-
Impairment losses on other investment		6,300	-	-	-
Amortisation of biological assets	8	10,427	26,318	-	-
Amortisation of other investment		-	700	-	-
Amortisation of intangible asset		21,047	-	-	-
Depreciation of property, plant and equipment	7	1,697,537	1,664,395	26,431	20,644
Gain on disposal of property, plant and equipment		(26,001)	-	-	-
Property, plant and equipment written off		5,876	-	2,953	-
Biological assets written off		1,671	-	-	-
Share of result in an associate		201,817	524,367	-	-
Loss on disposal of associate		707,716	-	2,166,117	
Unrealised foreign exchange loss		55,022	26,388	-	-
Interest expenses		119,477	-	17,523	-
Interest income		(2,027)	-	-	(5,561)
Bad debts recovered		-	(600,000)	-	-
Equity settled share-based payment transactions		896,940	8,000,00	896,940	8,000,000
Operating loss before changes in working Capital		(1,898,557)	(1,826,964)	(761,283)	(13,554,573)
Changes in working capital					
Inventories		28,575	1,216,760	-	-
Trade and other receivables		2,489,028	(9,670,034)	(813,886)	824,183
Trade and other payables		(277,969)	(1,431,592)	177,660	86,074
Amount due from an associates		(271,113)	689,730	-	689,730
Amount due from subsidiaries		-	-	(204,345)	(7,000)
Amount due to Directors		(3,660,277)	2,562,063	(2,882,877)	2,039,000
Cash flow used in operations		(3,590,313)	(8,460,037)	(4,484,731)	(9,922,586)
Tax paid		(18,084)	-	-	-
Interest paid		(119,477)	-	(17,523)	-
Interest received		2,027	-	-	5,561
Net cash flow used in operating activities		(3,725,847)	(8,460,037)	(4,502,254)	(9,917,025)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (Continued)

		GROUP		COMPANY	
	Note	**2018 RM**	**2017 RM**	**2018 RM**	**2017 RM**
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	7(g)	(73,262)	(1,788,287)	(2,600)	(183,338)
Purchase of intangible asset		(306,562)	(35,000)	-	-
Proceeds from disposal of property, plant and equipment		900,000	-	-	-
Proceeds from disposal of associate		814,000	-	814,000	-
Investment in subsidiary		(70,000)	-	(70,000)	-
Net cash flow generated from/(used in) investing activities		1,264,176	(1,823,287)	741,400	(183,338)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of obligation under finance lease		(2,499)	(31,546)	-	-
Proceeds from ordinary shares issued pursuant to: Private placement		-	8,000,000	-	8,000,000
Share options exercised		3,747,960	1,849,100	3,747,960	1,849,100
Net cash flow generated from financing activities		3,745,461	9,817,554	3,747,960	9,849,100
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,283,790	(465,770)	(12,894)	(251,263)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		936,124	1,401,894	19,345	270,608
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	32	2,219,914	936,124	6,451	19,345

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

1. GENERAL INFORMATION

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

The 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 of the Company is locate at 56 KM, Jalan Kimanis, Beaufort Highway, P.O.Box 362, 89608 Papar, Sabah. The Company head office is located at B-2-08, Jalan SS 6/20, Dataran Glomac, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

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 of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 December 2018.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (“FRS”) and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in Note 3 to the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (“RM”), which is also their functional currency.

The preparation of financial statements in conformity with FRS in Malaysia requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

2.1 FRSs that have been issued, but not yet effective and not yet adopted

The following are Standards, Amendments and Annual improvements of the FRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group and the Company:

FRS (Including The Consequential Amendments)		**Effective Date**
FRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board (“IASB) in July 2014)	1 January 2018
Amendments to FRS 1	Annual Improvements to FRSs 2014 - 2016 Cycle	1 January 2018
Amendments to FRS 2	Classification and Measurement of Share-Based Payment Transactions	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

2. BASIS OF PREPARATION (Continued)

2.1 FRSs that have been issued, but not yet effective and not yet adopted (Continued)

FRS (Including The Consequential Amendments)		Effective Date
Amendments to FRS 4	Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018
Amendments to FRS 128	Annual Improvements to FRSs 2014 - -2016 Cycle	1 January 2018
Amendments to FRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The above standards shall be superseded upon adoption of the MFRS Framework on 1 September 2018.

2.2 Malaysian Financial Reporting Standards ("MFRSs Framework") that have been issued, but have yet to be adopted

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new approved accounting framework, i.e. Malaysian Financial Reporting Standards ("MFRSs Framework").

The MFRSs Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of *MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate*, including the entities' parent, significant investor and venture (referred to as "Transitioning Entities" collectively).

On 8 September 2015, MASB confirmed the effective date of MFRS 15 Revenue from Contracts with Customer will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted. MFRS 15 was issued in September 2014 with the original effective date of 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, will prepare its first set of MFRSs financial statements for the financial year ending 31 August 2019. In presenting its first set of MFRSs financial statements, the Group and Company will quantify the financial effects arising from the differences between MFRSs and the currently applied FRSs. The majority of the adjustments required on transition are expected to be made, retrospectively, against opening retained earnings of the Company.

The Group has opted to defer the adoption of the MFRS Framework to the financial period beginning on 1 September 2018.

At the date of these financial statements, the Group and the Company have not completed their quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the Group. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 August 2018 could be different if prepared under the MFRS Framework.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

2. BASIS OF PREPARATION (Continued)

2.2 Malaysian Financial Reporting Standards ("MFRSs Framework") that have been issued, but have yet to be adopted (Continued)

The new and amended standards (which are applicable upon adoption of MFRS Framework) that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below.

(a) MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group and the Company are currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

(b) MFRS 16: Leases

MFRS 16 will supersede the current lease guidance including MFRS 117 Leases and its related interpretations when it become effective.

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. MFRS 16 requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to pay rental (i.e., the lease liability) with a corresponding asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective transition approach. MFRS 16 is effective for annual periods beginning on or after 1 January 2019, with early application permitted, but not before an entity applies MFRS 15.

The Group is in the process of making assessment of the impact of MFRS 16 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) 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 Group controls an investee if and only if the Group 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 Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give the Group the power over the investee:-

1) The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

2) Potential voting rights held by the company, other vote holders or other parties;

3) Rights arising from other contractual arrangements; and

4) 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.

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 profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Consolidation (Continued)

(ii) 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 profit or loss.

(iii) Non-controlling Interest

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 profit or loss and other 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.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

(b) Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

On acquisition of an investment in an associated company, any excess of the cost of investment over the Group's share of net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Investment in Associate (Continued)

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, the investment in an associated company is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associated company after the date of acquisition.

Profits and losses resulting from upstream and downstream transactions between the Group and its associated company are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associated company. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associated company is prepared as of the same reporting date as the Company. Where necessary, adjustments are made to align the accounting policies of the associated company with those of the Group.

Upon loss of significant influence over the associated company, the Group measures and recognises any restrained investment as its fair value. Any difference between the carrying amount of the associated company upon loss of significant influence and the fair value of the restrained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in an associated company is accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

(c) Property, Plant and Equipment

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 intitial recognition, property, plant and equipment except for long term leasehold land, certain buildings and quarters are stated at cost less accumulated depreciation and any accumulated impairment losses.

Revaluations of land and buildings are made with sufficient regularity at an interval of not more than 5 years such that the carrying amounts of the assets do not differ materially from their fair values at the end of the reporting period.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, Plant and Equipment (Continued)

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.

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, at the following rates:-

Long term leasehold land	64 to 98 years
Buildings and quarters	50 years
Motor vehicles, vessels, plant and machinery	5 to 10 years
Tools and equipment, vessels 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.

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.

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

(d) 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 profit or loss.

When the biological assets have reached the end of its useful life, it is derecognised. Replanting expenditure is capitalised as new biological assets and amortised on the same basis.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The annual amortisation rates are in proportionate of the extracted output over the total estimated output to reflect the future economic benefits expected to be consumed by the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Intangible assets (Continued)

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

(f) Asset held for sale

Non-current assets or groups of assets are classified as “held for sale” if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Similarly, liabilities directly associated with the disposal groups are also presented separately from other liabilities in the statement of financial position.

Armotisation ceases when an asset is classified as an asset held for sale. Assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

(g) Lease - as lessee

(i) Finance lease

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the preent value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest or the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charges as expenses in the period in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, it there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

(ii) Operating lease

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instruments.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

Asset available for sale

Investments other than quoted warrants are financial assets that are designated as available for sale or are not classified in any of the two preceding categories. These financial assets are recorded initially at costs less accumulated armotisation and accumulated impairment.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

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

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

(ii) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated as fair value through profit or loss upon initial recognition.

The Group and the Company have not designated any financial liabilities at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

(ii) Financial liabilities (Continued)

Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instruments.

The Group and the Company designates corporate guarantees given to financial institutions for credit facilities granted to a contract customer as insurance contracts as defined in FRS 4 Insurance Contracts. The Group and the Company recognises these corporate guarantees as liabilities when there is a present obligation, legal or constructive, as a result of past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(iv) Derecognition

A financial asset is derecognised when the contractual rights to receive cash flows from the asset has expired or is transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of Assets

(i) Impairment of financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at the end of each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an 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 amoritsed cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Impairment of non-financial assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting year for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

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

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised on profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis. Cost of the inventories includes expenditures incurred in acquiring the inventories conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments, that are readily convertible to known 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.

(l) 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 profit and loss as expenses in the period in which they are incurred.

(m) Provisions

Provisions for liabilities 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.

(n) Contingencies

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

Contingent liabilities and assets are not recognised but disclosed (unless the probability of outflow of economic benefits is remote) in the statements of financial position of the Group and of the Company.

(o) Equity instruments

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.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date. Transaction costs that are directly attributable to the issuance of ordinary shares are deducted against equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Income Tax

Income tax in profit or loss for the year comprises the following:

(i) Current 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.

(ii) Deferred tax

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 profit 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.

(iii) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of GST, unless the GST is not recoverable from the tax authority. The amount of GST not recoverable from the tax authority is recognised as an expense or as part of cost of acquisition of an asset. Receivables and payables related to such revenue, expenses or acquisitions of assets are presented in the statement of financial position inclusive of GST recoverable or GST payable.

GST recoverable from or payable to tax authority may be presented on net basis should such amounts are related to GST levied by the same tax authority and the taxable entity has a legally enforceable right to set off such amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Revenue Recognition

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

(i) 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.

(ii) 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.

(iii) Rental income

Rental income is recognised on an accrual basis.

(iv) Interest income

Interest income is recognised using the effective interest method

(r) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

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

(iii) Share-based payment transactions

The Company operates an equity-settled, share-based compensation plan, allowing the employees of the Group to acquire ordinary shares of the Company at predetermined prices. The total fair value of share options granted to employees is recognised as an expense with a corresponding increase in the share options reserve with equity over the vesting period and taking into account the probability that the options will be vested.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Foreign Currencies

(i) Functional and presentation currency

The functional currency of the Group and of the Company is determined using the currency of the primary economic environment in which the Group and the Company operates. The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) 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 profit or loss.

(iii) Foreign operations

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

(t) 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 Group and 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 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Related Parties

A party is related to an 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

(e) the party is a close member of the family of any individual referred to in (a) or (d); or

(f) the party is an entity 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.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by that individual in their dealings with the entity.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the directors of the Company and directors of the subsidiary companies, members of senior management and chief executive officer of the Company as well as members of senior management and chief executive officers of major subsidiary companies of the Group.

(v) 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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic participant that would use 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.

For financial reporting purpose, the fair value measurements are analysed into level 1 to level 3 as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or in directly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Judgements Made in Applying Accounting Policies

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.

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. , NWP Builder Sdn. Bhd. NWP Industries 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 on Receivables

An impairment loss is recognised when there is objective evidence that receivables are impaired. Management specifically reviews its receivables 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.

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

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) 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.

(b) 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.

(c) 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.

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Key Sources of Estimation Uncertainty (Continued)

(e) 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.

5. INVESTMENT IN AN ASSOCIATE

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 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	(1,358,585)	(1,156,768)	-	-
- Impairment losses on investment in associate	(236,572)	(236,572)	(236,572)	(236,572)
- Sales proceed	(814,000)	-	(814,000)	-
- Loss on disposal	(707,716)	-	(2,166,117)	-
	-	1,723,533	-	2,980,117

Name of Associate	Place of Incorporation	Principal Activities	Effective Equity Interest 2018	Effective Equity Interest 2017
NWP LAO Industries Co., Ltd	Lao People's Democratic Republic	Manufacturing and selling of timber and timber products	-	25.66%

On 30 August 2018, the Company entered into conditional Shares Sale Agreement with Ms. Bo Pandala for disposal of 25.66% equity interest in NWP LAO Industries Co., Ltd., representing the Company entire investment and beneficial interest in NWP LAO Industries Co., Ltd., for a total consideration of USD200,000 only (approximately equivalent to RM814,000 based on as today foreign exchange rate of USD:RM: 1: 4.0700).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (Continued)

6. INVESTMENT IN SUBSIDIARIES

COMPANY

	2018 RM	2017 RM
Unquoted shares, at cost	55,340,716	55,270,716
Less: Accumulated impairment losses	(42,887,188)	(40,357,282)
	12,453,528	14,913,434

The movement in the impairment account is as follow:-

	2018 RM	2017 RM
At 1 September	40,357,282	40,357,282
Addition	2,529,906	-
At 31 August	42,887,188	40,357,282

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 2018	2017	% of Ownership Interest Held by Non-Controlling Interest 2018	2017
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.	Dormant	100%	100%	-	-
NWP O & M Sdn. Bhd.	Providing of sawmilling services and agricultural produce business.	100%	90%	-	10%
NWP Builder Sdn. Bhd.	Provision of construction development and related services.	100%	100%	-	-

The auditors' report of DMKT Timber Sdn. Bhd., NWP Builder Sdn. Bhd., NWP Industries Sdn. Bhd. and NWP O & M Sdn. Bhd. have included an emphasis of matter in regard to the application of going concern assumption in the preparation of the financial statements.

Acquisition in equity interest in NWP O & M Sdn. Bhd.

During the financial year, the Company had acquired 10% of the issued and paid up share capital in NWP O & M Sdn. Bhd. comprising 70,000 ordinary shares fully paid up for total cash consideration of RM70,000. Upon acquisition, NWP O & M Sdn. Bhd. became wholly-owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

7. **PROPERTY, PLANT AND EQUIPMENT**

GROUP

2018	Long term leasehold land RM	Buildings and quarters RM	Motor vehicles, vessels, plant and machinery RM	Tools and equipment and factory equipment RM	Renovation, furniture, fittings and equipment RM	Road RM	Capital work in progress RM	Office equipment RM	Total RM
At Cost/Valuation									
At 31 August 2017	14,854,000	15,442,706	15,091,215	170,003	2,818,076	711,380	66,283	46,087	49,199,750
Additions	-	46,343	1,321,072	-	2,600	-	-	-	1,370,015
Transfer	-	-	25,122	-	41,161	-	(66,283)	-	-
Disposal & write-off	-	-	(2,001,074)	(33,131)	(3,200)	-	-	-	(2,037,405)
Revaluation surplus	974,000	-	-	-	-	-	-	-	974,000
At 31 August 2018	15,828,000	15,489,049	14,436,335	136,872	2,858,637	711,380	-	46,087	49,506,360
Accumulated Depreciation									
At 31 August 2017	238,313	480,428	7,778,783	128,952	2,590,662	711,380	-	6,098	11,934,616
Charge for the year	238,312	479,265	911,781	10,524	48,436	-	-	9,219	1,697,537
Disposal & write-off	-	-	(584,009)	(30,206)	(247)	-	-	-	(614,462)
Revaluation surplus	(476,625)	-	-	-	-	-	-	-	(476,625)
At 31 August 2018	-	959,693	8,106,555	109,270	2,638,851	711,380	-	15,317	12,541,066
Accumulated Impairment									
At 31 August 2017	-	-	578,382	-	-	-	-	-	578,382
Impairment loss for the financial year	-	-	480,000	-	-	-	-	-	480,000
At 31 August 2018	-	-	1,058,382	-	-	-	-	-	1,058,382
Net Carrying Amount									
At 31 August 2018	15,828,000	14,529,356	5,271,398	27,602	219,786	-	-	30,770	35,906,912
Representing:									
- At cost	-	49,049	8,137,535	136,872	2,858,637	711,380	-	46,087	11,939,560
- At valuation	15,828,000	15,440,000	6,298,800	-	-	-	-	-	37,566,800
	15,828,000	15,489,049	14,436,335	136,872	2,858,637	711,380	-	46,087	49,506,360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP

2017	Long term leasehold land RM	Buildings and quarters RM	Motor vehicles, vessels, plant and machinery RM	Tools and equipment and factory equipment RM	Renovation, furniture, fittings and equipment RM	Road RM	Capital work in progress RM	Office equipment RM	Total RM
At Cost/Valuation									
At 31 August 2016	14,854,000	15,442,706	13,491,144	170,003	2,670,947	711,380	66,283	5,000	47,411,463
Additions	-	-	1,600,071	-	147,129	-	-	41,087	1,788,287
Disposal	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-	-
At 31 August 2017	14,854,000	15,442,706	15,091,215	170,003	2,818,076	711,380	66,283	46,087	49,199,750
Accumulated Depreciation									
At 31 August 2016	-	1,064	6,923,236	113,820	2,531,728	700,292	-	83	10,270,223
Charge for the year	238,313	479,364	855,547	15,132	58,934	11,088	-	6,017	1,664,395
Disposal	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-	-
At 31 August 2017	238,313	480,428	7,778,783	128,952	2,590,662	711,380	-	6,098	11,934,618
Accumulated Impairment									
At 31 August 2016	-	-	578,382	-	-	-	-	-	578,382
Impairment loss for the financial year	-	-	-	-	-	-	-	-	-
At 31 August 2017	-	-	578,382	-	-	-	-	-	578,382
Net Carrying Amount									
At 31 August 2017	14,615,687	14,962,278	6,734,051	41,051	227,414	-	66,283	39,988	36,686,750
Representing:									
- At cost	-	2,706	8,793,215	170,003	2,818,076	711,380	66,283	46,087	12,606,950
- At valuation	14,854,000	15,440,000	6,298,000	-	-	-	-	-	36,592,800
	14,854,000	15,442,706	15,091,215	170,003	2,818,076	711,380	66,283	46,087	49,199,750

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (Continued)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

COMPANY

2018	Renovation, furniture, fittings and equipment RM	Office equipment RM	Total RM
At Cost			
At 31 August 2017	172,253	46,085	218,338
Additions	2,600	-	2,600
Write-off	(3,200)	-	(3,200)
At 31 August 2018	171,653	46,085	217,738
Accumulated Depreciation			
At 31 August 2017	14,878	6,099	20,977
Charge for the year	17,214	9,217	26,431
Written-off	(247)	-	(247)
At 31 August 2018	31,845	15,316	47,161
Net Carrying Amount			
At 31 August 2018	139,808	30,769	170,577
2017			
At Cost			
At 31 August 2016	30,000	5,000	35,000
Additions	142,253	41,085	183,338
At 31 August 2017	172,253	46,085	218,338
Accumulated Depreciation			
At 31 August 2016	250	83	333
Charge for the year	14,628	6,016	20,644
At 31 August 2017	14,878	6,099	20,977
Net Carrying Amount			
At 31 August 2017	157,375	39,987	197,361

GROUP

(a) The long term leasehold land and buildings of the Group were revalued on 14 September 2018 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. The resultant revaluation surplus of RM1,102,475 net of deferred tax which has been included in the revaluation reserve account as stated in Note 19.

(b) 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 RM305,898, net of deferred tax which has been included in the revaluation reserve account as stated in Note 19.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (Continued)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Motor vehicles with carrying amount of RM175,845 (2017: RM nil) are acquired under the hire purchase instalment plan as disclosed in Note 24.

(d) Motor vehicles with carrying amount of RM1 (2017: RM1) are held in trust by the Directors of the Group.

(e) 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:-

	2018 RM	2017 RM
Long term leasehold land	1,395,184	1,414,828
Buildings and quarters	10,874,039	11,193,968
	12,269,223	12,608,796

(f) Included in property, plant and equipment of the Group are the following fully depreciated assets which are still in use:-

	2018 RM	2017 RM
Cost		
Motor vehicles, plant and machinery	4,977,476	4,847,475
Tools and equipment and factory equipment	73,929	73,929
Renovation, furniture, fittings and equipment	2,421,789	2,262,477
Road	711,380	711,380
	8,184,574	7,895,262

(g) Purchase of property, plant and equipment

	2018 RM	2017 RM
Addition during the year	1,370,015	1,788,287
Financed by hire purchase agreement	(169,000)	-
Contra of debt by Foshan Shunde Leliu Yi Chai Sheng	(1,127,753)	-
	73,262	1,788,287

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

8. INTANGIBLE ASSET

	GROUP	
	2018	**2017**
	RM	**RM**
At Cost		
At 1 September	-	-
Addition	306,562	-
At 31 August	306,562	-
Accumulated Amortisation		
At 1 September	-	-
Charge for the year	21,047	-
At 31 August	21,047	-
Net Carrying Amount		
At 31 August	285,515	-

9. BIOLOGICAL ASSETS

	GROUP	
	2018	**2017**
	RM	**RM**
At Cost		
At 1 September	125,606	125,606
Written off	(125,606)	-
At 31 August	-	125,606
Accumulated Amortisation		
At 1 September	113,508	87,190
Charge for the year	10,427	26,318
Written off	(123,935)	-
At 31 August	-	113,508
Net Carrying Amount		
At 31 August	-	12,098

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

10. OTHER INVESTMENT

	GROUP	
	2018	**2017**
	RM	**RM**
Investment in membership		
At Cost		
At 1 September	35,000	-
Additions	-	35,000
Reclassification (Note 17)	(35,000)	-
At 31 August	-	35,000
Accumulated Amortisation		
At 1 September	700	-
Charge for the year	-	700
Reclassification (Note 17)	(700)	-
At 31 August	-	700
Accumulated Impairment		
At 1 September	-	-
Charge for the year	6,300	-
Reclassification (Note 17)	(6,300)	-
At 31 August	-	-
Net Carrying Amount		
At 31 August	-	34,300

Amortisation on other investment is provided on a straight line basis so as to write off the cost to its residual value over the estimated useful life at 50 years. It has been disposed off subsequent to financial year end on 15 November 2018 and reclassified to asset held for sale.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

11. INVENTORIES

	GROUP	
	2018	**2017**
	RM	**RM**
At Cost		
Timber and Log		
Raw materials	2,367,565	2,996,298
Work-in-progress	1,026,027	380,127
Finished goods	733,212	634,514
Consumables	270,371	310,798
	4,397,175	4,321,737
Nurseries		
Plants	-	30,024
Consumables	-	67,372
	-	97,396
	4,397,175	4,419,133
At Net Realisable Value Timber and Log		
Raw materials	1,062,555	1,060,370
Work-in-progress	280,856	289,658
	1,343,411	1,350,028
	5,740,586	5,769,161

12. TRADE RECEIVABLES

	2018	**2017**
	RM	**RM**
Gross receivables	4,978,930	8,578,474
Less : Allowance for impairment (Note 34 (b)(i))	(3,948,065)	(2,881,297)
	1,030,865	5,697,177

The Group's and the Company's normal trade credit terms range from 30 days to 120 days (2017: 30 days to 120 days) from the date of invoices. Other credit terms are assessed and approved on a case-to-case basis.

The Group's major concentration of credit risk relates to the amounts owing by two (2) customers (2017: two (2) customers) which constituted aprroximately 61% (2017: 63%) of its trade receivables as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (Continued)

12. TRADE RECEIVABLES (Continued)

(a) Ageing analysis on trade receivables

The ageing analysis of the Group's trade receivables is disclosed in Note 34 (b)(i).

(b) Impairment losses

The movement of the allowance accounts used to record impairment losses is disclosed in Note 34 (b)(i).

(c) Expose to foreign currency

The currency profile of trade receivables is disclosed in Note 34 (b)(iv).

13. OTHER RECEIVABLES

	GROUP		COMPANY	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Other receivables	8,980,024	7,386,185	1,774,843	-
Deposits	4,253,462	4,315,389	74,776	74,776
Prepayments	22,080	122,343	7,083	7,197
	13,255,566	11,823,917	1,856,702	81,973
Less : Allowance for impairment	(11,688,828)	(34,771)	(960,843)	-
Other receivables, net	1,566,738	11,789,146	895,859	81,973

The movement in the allowance account is as follows:-

At 1 September	34,771	1,435,457	-	-
Recovery	-	(600,000)	-	-
Written off	-	(800,686)	-	-
Additions	10,964,327	-	271,113	-
Reclassification (Note 14)	689,730	-	689,730	-
At 31 August	11,688,828	34,771	960,843	-

Included in the Group's other receivables is an advance of RM6,500,000 made to Cherish Words Sdn. Bhd. on behalf for Listari Marina Sdn. Bhd., details are disclosed in Note 38 (b). Full provision has been made during the financial year.

Included in the Group's other receivables is an amount of RM 689,730 which was reclassified from amount due from an associate, NWP LAO Industries Co., Ltd. on the date of disposal, 30 August 2018.

Included in the Group's deposits is partial payment of RM4,100,000 made for acquisition of 30% equity interest in Aviation A. I. Inc., details are disclosed in Note 38 (a). Full provision has been made during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

14. AMOUNT DUE FROM AN ASSOCIATE

	GROUP AND COMPANY	
	2018 RM	2017 RM
Amount due from an associate	-	689,730
Less : Allowance for impairment	-	(689,730)
	-	-

	2018 RM	2017 RM
The movement in the allowance account is as follows:-		
At 1 September	689,730	-
Additions	-	689,730
Reclassification (Note 13)	(689,730)	-
At 31 August	-	689,730

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

15. AMOUNT DUE FROM SUBSIDIARIES

	COMPANY	
	2018 RM	2017 RM
Amount due from subsidiaries	44,398,967	44,465,735
Less: Allowance for impairment (Note 34 (b)(i))	(31,945,439)	(29,545,201)
	12,453,528	14,920,534

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

16. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

GROUP

The effective rate of interest from deposits is ranging from 2.55% to 3.3% (2017: 2.55% to 3.3%) per annum and is realisable upon demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

17. ASSET HELD FOR SALE

GROUP

	2018 RM	2017 RM
Other investment (Note 10)	28,000	-

On 15 November 2018, a subsidiary of the Company, NWP Builder Sdn. Bhd. has disposed of the Admiral Marina Berhad's corporate membership to Dino Express Sdn. Bhd. for a total cash consideration of RM28,000.

18. SHARE CAPITAL

GROUP AND COMPANY

	2018		2017	
	Number of shares	RM	Number of shares	RM
Issued and fully paid:				
Balance at 1 September 2017	361,020,000	103,272,060	320,000,000	80,000,000
Issued during the financial year for cash:				
Private placement	-	-	32,000,000	8,000,000
Issued under options exercised	31,233,000	4,591,251	9,020,000	3,653,100
Conversion of share premium to share capital	-	-	-	11,618,960
Balance at 31 August 2018	392,253,000	107,863,311	361,020,000	103,272,060

Prior to 31 January 2017, the Company's issued and fully paid up share capital comprises ordinary shares with a par value of RM1.00 each. The new Companies Act, 2016 which came into operation on 31 January 2017, introduces the "no par value" regime. Accordingly, the concept of "authorised share capital" and "par value" has been abolished.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

19. REVALUATION RESERVE

GROUP

	2018 RM	2017 RM
At 1 September/31 August	16,364,724	16,364,724
Surplus on revaluation of property, plant and equipment	1,450,624	-
Deferred tax liability arising on revaluation (Note 20)	(348,150)	-
	1,102,474	-
	17,467,198	16,364,724

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. DEFERRED TAX LIABILITIES

GROUP

	2018 RM	2017 RM
At 1 September	4,884,300	4,981,941
Recognised in profit and loss	(83,668)	(97,641)
Additions (Note 19)	348,150	-
At 31 August	5,148,782	4,884,300

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

21. TRADE PAYABLES

GROUP

The normal trade credit terms granted to the Group ranged from 30 to 120 days (2017: 30 to 120 days).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

22. OTHER PAYABLES

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Non-current				
Other payables:-				
- Related party	2,624,918	-	-	-
Current				
Other payables:-				
- Third party	1,240,155	351,550	145,831	17,955
- Related party	580,740	2,907,031	130,740	-
Accruals	767,282	807,093	23,700	104,656
Deposit received	52,488	71,028	-	-
	5,265,583	4,136,702	300,271	122,611

The amount owing to a related party includes an amount of RM3,074,918 (2017: RM2,624,918) which is unsecured, repayable on demand and bears cost of fund at 4.0% (2017: 3.5%) per annum.

The amount owing to a related party includes an amount of RM130,740 (2017: Nil) which is unsecured, interest-free and repayable on demand.

23. Amount due to Directors

GROUP AND COMPANY

The amount owing to one of the Director includes an amount of RM1,317,523 (2017: Nil) which is unsecured, repayable on demand and bears cost of fund of 4.0% (2017: Nil) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

24. 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:-

	2018 RM	2017 RM
Minimum Finance Lease Payments:		
Not later than 1 year	37,764	-
Later than 1 year but not later than 2 years	147,862	-
	185,626	-
Less: Future finance charges	(19,125)	-
Present value of finance lease liabilities	166,501	-
Repayable as follows:		
Not later than 1 year	30,827	-
Later than 1 year but not later than 2 years	30,827	-
Later than 2 years but not later than 5 years	104,847	-
	166,501	-
Analysed as:-		
Due within 12 months	30,827	-
Due after 12 months	135,674	-
	166,501	-

The effective interest rate of the obligation under finance lease is 2.34% (2017 : nil) per annum.

25. REVENUE

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Sale of timber and timber products	8,520,979	15,609,936	-	-
Sale of agriculture product	12,309	118,823	-	-
Rendering of services	294,903	388,499	-	-
	8,828,191	16,117,258	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

26. OTHER INCOME

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Discount received	148,043	-	-	-
Management fees	40,000	74,000	40,000	-
Gain on disposal of plant and machinery	26,001	-	-	-
Rental income	59,630	-	-	
Recovered from doubtful debts	-	14,985	-	-
Recovery of impairment losses on other receivables	-	600,000	-	-
Gain on foreign exchange unrealized	-	57,637	-	-
Fixed deposit interest received	2,027	6,985	-	5,561
	275,701	753,607	40,000	5,561

27. FINANCE COST

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Cost of fund on unsecured advances	115,581	141,921	17,523	-
Bank overdraft interest	3,248	19,331	-	-
Obligation under finance lease interest	648	826	-	-
	119,477	162,078	17,523	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

28. LOSS BEFORE TAX

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
After charging:-				
Auditors' remuneration				
- Current year	79,500	300,000	37,000	100,000
- (Over)/Under-provison in previous year	(1,250)	-	20,000	-
Amortisation of biological assets	10,427	26,318	-	-
Amortisation of other investment	-	700	-	-
Amortisation of intangible asset	21,047	-	-	-
Property, plant and equipment written-off	5,876	-	-	-
Inventories written off	-	218,379	-	-
Biological assets written off	1,671	-	-	-
Depreciation of property, plant and equipment	1,697,537	1,664,395	26,431	20,644
Directors' remuneration (Note 29 and 33(b)):-				
- Fees	184,800	571,000	176,000	571,000
- Salaries	264,036	254,000	-	-
- Defined contribution plan	33,860	32,492	-	-
- Non-fee emolument	324,000	8,000,000	324,000	8,000,000
Impairment losses on:-				
- Trade receivables (Note 34(b)(i))	1,066,768	192,647	-	-
- Other receivables	10,964,327	-	271,113	-
- Other investment	6,300	-	-	-
- Property, plant and equipment	480,000	-	-	-
- Investment in subsidiaries	-	-	2,529,906	-
- Investment in an associate	-	236,572	-	236,572
- Amount due from subsidiaries	-	-	2,400,238	11,499,661
- Amount due from associate	-	-	-	689,730
Loss on disposal of associate	707,716	-	2,166,117	-
Loss on realised foreign exchange	13,744	-	-	-
Loss on unrealised foreign exchange	55,022	26,388	-	-
Rental of land	-	33,750	-	-
Rental of premises	81,550	78,306	-	-
Staff costs:-				
- Salaries, wages and allowance	2,678,149	3,240,005	-	-
- EPF and SOCSO	238,703	283,713	-	-
- Other employee benefits	134,093	124,976	-	-
- Non-fee emolument	572,940	-	572,940	-

Number of employees in the Group at the end of the financial year (exclude Directors) are 148 (2017: 158).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

29. DIRECTOR REMUNERATION

GROUP

	GROUP		COMPANY	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Directors of the Company				
Executive:-				
Salaries	264,036	254,000	-	-
Defined Contribution plan	33,860	32,492	-	-
Non-fee emolument	-	8,000,000	-	8,000,000
Fee	123,000	-	120,000	-
Non-Executive:-				
Fees	61,800	571,000	56,000	571,000
Non-fee emolument	324,000	-	324,000	-
Total	806,696	8,857,492	500,000	8,571,000

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

	2018	**2017**
Executive Director		
RM10,000- RM100,000	2	1
RM100,001- RM200,000	1	-
RM200,001-RM300,000	-	1
More than RM300,000	-	2
Non-Executive Director		
Below RM50,000	5	6

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

30. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Income tax:-				
Current year expense	-	-	-	1,335
Under/(Over) provision in previous year	16,029	-	(1,335)	-
Deferred tax:-				
Relating to origination and reversal of temporary differences	(83,668)	(95,586)	-	-
Income tax expense for the financial year	(67,639)	(95,586)	(1,335)	1,335

Domestic current income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the year.

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Loss before tax	(18,105,454)	(12,116,730)	(9,072,504)	(21,806,228)
Tax at the statutory tax rate of 24% (2017: 24%)	(4,345,309)	(2,908,015)	(2,177,401)	(5,233,495)
Tax effects of:				
Non-deductible expenses	4,200,870	3,388,041	2,177,401	5,234,830
Income not subject to tax	(14,311)	(144,342)	-	-
Deferred tax assets not recognised during the year	158,750	28,416	-	-
Tax saving on utilization of unabsorbed tax losses and capital allowance	-	(362,045)	-	-
Crystallisation of deferred tax liabilities arose from revaluation surplus	(83,668)	(97,641)	-	-
(Over)/Under-provision in previous year	16,029	-	(1,335)	1,335
Income tax expense for the financial year	(67,639)	(95,586)	(1,335)	1,335

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

30. 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 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Unabsorbed capital allowances	(9,954,373)	(6,506,000)	-	-
Unabsorbed tax losses	(39,851,286)	(32,414,000)	-	-
	(49,805,659)	(38,920,000)	-	-
Potential net tax benefits calculated at 24% tax rate (2017: 24%)	(11,953,358)	(9,341,000)	-	-

As at 31 August 2018, 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 (2017: RM18,494,326) which can be offset against future taxable profits of the relevant company subject to the agreement by the Inland Revenue Board.

31. LOSS PER SHARE

Basic loss 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.

	GROUP 2018 RM	GROUP 2017 RM
Loss after tax attributable to owners of the parent	(18,031,418)	(11,971,197)
	Number of shares	**Number of shares**
Number of ordinary shares	392,253,000	361,020,000
	Sen per share	**Sen per share**
Basic loss per share	(4.60)	(3.32)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

32. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	2,137,274	853,566	6,451	19,345
Deposits with licensed financial institutions	82,640	82,558	-	-
	2,219,914	936,124	6,451	19,345

33. 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:-

	2018 RM	2017 RM
Management fee charged to a corporation in which a Director, Dato' Sri Kee Soon Ling, has substantial financial interest	40,000	-
Cost of fund charged by a corporation in which a Director, Mr. Wong See Ming, has substantial financial interest	115,581	141,921
Cost of fund charged by a Director, Dato' Sri Kee Soon Ling	17,523	-

(b) Compensation of key management personnel

Details of Directors' compensation are set out in Note 29 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

34. FINANCIAL INSTRUMENTS

(a) Classification of financial statements

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:-

		GROUP		COMPANY	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Asset available for sale					
Other investment	17	28,000	34,300		
Loan and receivables					
Financial Assets					
Trade receivables	12	1,030,865	5,697,177	-	-
Other receivables	13	1,566,738	11,789,146	895,859	81,973
Amount due from an associate	14	-	-	-	-
Amount due from subsidiaries	15	-	-	12,453,528	14,920,534
Deposits with licensed financial institutions	16	82,640	82,558	-	-
Cash and bank balances		2,137,274	853,566	6,451	19,345
Financial Liabilities					
Trade payables	21	573,006	1,979,856	-	-
Other payables	22	5,265,583	4,136,702	300,271	122,611
Amount due to Directors	23	1,656,123	5,316,400	1,656,123	4,539,000
Obligation under finance lease	24	166,501	-	-	-

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 28.

Determination of fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between acknowledgeable 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 2018
(Continued)

34. 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.

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

(i) Credit Risk

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

The Group's credit terms given to customers generally range from 30 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 12.

	2018 RM	**2017 RM**
Neither past due nor impaired	298,658	1,040,382
Past due 1 to 30 days but not impaired	14,995	2,252,104
Past due 31 to 120 days but not impaired	13,620	510,433
More than 120 days but not impaired	703,593	1,894,258
	732,208	4,656,795
Past due and impaired	3,948,065	2,881,297
Gross receivables (Note 12)	4,978,930	8,578,474

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 RM732,208 (2017: RM4,656,795) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

34. FINANCIAL INSTRUMENTS (Continued)

(b) Risks Disclosures (Continued)

(i) Credit Risk (Continued)

Trade receivables that are impaired

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

GROUP

	2018 RM	2017 RM
Allowance for Impairment Account		
At 1 September	2,881,297	3,663,423
Additions (Note 28)	1,066,768	192,647
Written off	-	(959,788)
Recovery (Note 26)	-	(14,985)
At 31 August (Note 12)	3,948,065	2,881,297

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:-

COMPANY

	2018 RM	2017 RM
Allowance for Impairment Account		
At 1 September	29,545,201	18,045,540
Additional for the financial year (Note 28)	2,400,238	11,499,661
At 31 August (Note 15)	31,945,439	29,545,201

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (Continued)

34. FINANCIAL INSTRUMENTS (Continued)

(b) Risks Disclosures (Continued)

(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 share capital and credit facilities from banks and a corporation to ensure that the Group has sufficient liquidity to meet their liabilities when they fall due.

Maturity analysis of financial liabilties

The maturity of the trade and other payables are due within one (1) year and the maturity analysis of obligation under finance lease is presented in Note 24.

(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:-

		2018		2017	
	Note	Effective Interest Rate %	RM	Effective Interest Rate %	RM
Financial Assets					
Fixed Rate Instruments					
Deposits with licensed financial institutions	16	2.55 to 3.3	82,640	2.55 to 3.3	82,558
Financial Liabilities					
Fixed Rate Instruments					
Other payables	22	4.00	3,074,918	3.50	3,204,248
Obligation under finance lease	24	2.34	166,501	-	-
Amount due to Directors	23	4.00	1,317,523	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

34. 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 is not subject to changes in market interest rates for its fixed financial liabilities.

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

The Group does not have significant variable rate financial assets and is not subject to changes in market interest rates for its fixed financial liabilities.

Therefore, a change in interest rates at the reporting date would not affect profit or loss and equity.

(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 is primarily United States Dollar (“USD”).

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 2018				
Financial Assets				
Trade receivables	641,162	-	389,703	1,030,865
Other receivables	-	-	1,566,738	1,566,738
Deposits with licensed financial institutions	-	-	82,640	82,640
Cash and bank balances	30,113	-	2,107,161	2,137,274
	671,275	-	4,146,242	4,817,517
Currency exposure, net	671,275	-	-	671,275

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

34. FINANCIAL INSTRUMENTS (Continued)

(b) Risks Disclosures (Continued)

(iv) Foreign Currency Risk (Continued)

Exposure to foreign currency risk (Continued)

	USD RM	AUD RM	RM RM	Total RM
At 31 August 2017				
Financial Assets				
Trade receivables	4,996,841	-	700,336	5,697,177
Other receivables	-	-	11,789,146	11,789,146
Deposits with licensed financial institutions	-	-	82,558	82,558
Cash and bank balances	25,289	5,826	822,451	853,566
	5,022,130	5,826	13,394,491	18,422,447
Currency exposure, net	5,022,130	5,826	-	5,027,956

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:-

	2018		2017	
	Effect on Loss After Taxation RM	Effect on Equity RM	Effect on Loss After Taxation RM	Effect on Equity RM
USD				
- Strengthened by 5% (2017: 5%)	33,564	33,564	251,398	251,398
- Weakened by 5% (2017: 5%)	(33,564)	(33,564)	(251,398)	(251,398)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

35. 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 2018 and 31 August 2017.

The Group monitors capital using a gearing ratio, which is net borrowings divided by equity attributable to owners of the Group. The Group includes within trade and other payables, amount due to a director, obligation under finance lease and bank overdraft less cash and bank balances and deposits with licensed financial institutions.

	Note	2018 RM	2017 RM
Trade payables	21	573,006	1,979,856
Other payables	22	5,265,583	4,136,702
Amount due to Directors	23	1,656,123	5,316,400
Obligation under finance lease	24	166,501	-
Current tax liabilities		-	2,055
		7,661,213	11,435,013
Less: Cash and Cash Equivalents	32	(2,219,914)	(936,124)
Net borrowings		5,441,299	10,498,889
Equity attributable to owners of the Company		33,968,535	46,422,020
Gearing ratio		16.0%	22.6%

36. 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:-

	2018 RM	2017 RM
Malaysia	978,738	1,189,111
Outside Malaysia	7,849,453	14,928,147
	8,828,191	16,117,258

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

36. SEGMENT INFORMATION (Continued)

(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	2018 RM	2017 RM
Two (2) major customers	Molding and timber	6,468,862	13,500,453
One (1) major customer	Nursery	12,309	108,058
		6,481,171	13,608,511

(c) Operating Segments

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

(i) Moulding and timber

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

(ii) Logging

Logging contractor and provision of forest management services.

(iii) Construction and development

Provision of construction, development and related services.

(iv) 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 2018
(Continued)

36. SEGMENT INFORMATION (Continued)

(c) Operating segments (Continued)

2018	Molding and Timber RM	Logging RM	Construction and Development RM	Agriculture RM	Investment and Other RM	Adjustments and Eliminations RM	Consolidated RM
Revenue							
External sales	8,815,882	-	-	49,647	-	(37,338)	8,828,191
Results:							
Segment results	(2,258,711)	-	-	(46,114)	(20,165,901)	6,394,530	(16,076,196)
Share of losses in an associate	-	-	-	-	-	(201,817)	(201,817)
Depreciation of property, plant and equipment	(1,541,718)	-	-	(7,429)	(148,390)	-	(1,697,537)
Amortisation of biological assets	-	-	-	(10,427)	-	-	(10,427)
Finance costs	(101,954)	-	-	-	(17,523)	-	(119,477)
Income tax expense	66,544	-	-	-	1,095	-	67,639
Net loss for the financial year	(3,835,839)	-	-	(63,970)	(20,330,719)	6,192,713	(18,037,815)
Non-controlling interest	-	-	-	-	-	6,397	6,397
Loss attributable to owners of the Parent	(3,835,839)	-	-	(63,970)	(20,330,719)	6,199,110	(18,031,418)
Assets							
Segments assets	44,582,180	-	-	44,474	27,446,304	(25,294,428)	46,778,530
Liabilities							
Segment liabilities	32,128,651	-	-	1,040,748	24,426,933	(44,786,337)	12,809,995

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

36. SEGMENT INFORMATION (Continued)

(c) Operating segments (Continued)

2017	Molding and Timber RM	Logging RM	Construction and Development RM	Agriculture RM	Investment and Other RM	Adjustments and Eliminations RM	Consolidated RM
Revenue							
External sales	15,998,435	-	-	118,823	-	-	16,117,258
Results:							
Segment results	1,969,176	-	-	(460,684)	(22,747,725)	11,499,661	(9,739,572)
Share of losses in an associate	-	-	-	-	-	(524,367)	(524,367)
Depreciation of property, plant and equipment	(1,631,280)	-	-	(12,470)	(20,645)	-	(1,664,395)
Amortisation of biological assets	-	-	-	(26,318)	-	-	(26,318)
Finance costs	(162,078)	-	-	-	-	-	(162,078)
Income tax expense	97,641	-	-	-	(2,055)	-	95,586
Net loss for the financial year	273,459	-	-	(499,472)	(22,770,425)	10,975,294	(12,021,144)
Non-controlling interest	-	-	-	49,947	-	-	49,947
Loss attributable to owners of the Parent	273,459	-	-	(449,525)	(22,770,425)	10,975,294	(11,971,197)
Assets							
Segments assets	48,367,298	-	-	233,393	45,575,356	(31,527,758)	62,648,289
Liabilities							
Segment liabilities	33,180,406	-	-	1,165,697	26,870,166	(44,896,956)	16,319,313

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

36. SEGMENT INFORMATION (Continued)

(d) Geographical Non-Current Assets

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

	2018 RM	2017 RM
Malaysia	36,226,027	36,733,148
Lao People's Democratic Republic	-	1,723,533
	36,226,027	38,456,681

37. SIGNIFICANT EVENTS DURING THE YEAR

On 30 August 2018, the Company entered into conditional Shares Sale Agreement with Ms. Bo Pandala for disposal of 25.66% equity interest in NWP LAO Industries Co., Ltd., representing the Company entire investment and beneficial interest in NWP LAO Industries Co., Ltd., for a total consideration of USD200,000 only (approximately equivalent to RM814,000).

38. Material litigation

(a) NWP Builders Sdn. Bhd. ("NWPBu") against Ismail bin Hassan ("Ismail")

NWPBu, wholly owned subsidiary of the Company, had entered into a conditional Share Sale Agreement ("SSA") with Ismail on 14 October 2016 to acquire 30% equity interest in Aviation A. I. Inc. for total consideration of USD1,500,000 which equivalent to RM6,300,000. NWPBu has made various payments in total sum of RM4,100,000 (the "Sum Paid") to Ismail.

As the condition precedents pursuant to the SSA was not fulfilled by the agreed time period therefore the SSA has ceased and determined. As a result thereof, the Sum Paid to Ismail shall be return and refund to Plaintiff free from interest. The Defendant fails to return and refund the Sum Paid under the SSA.

On 3 September 2018, the Group announced that NWPBu has served a Writ of Summons together with the Statement of Claim both dated 20 August 2018, through its solicitors, Messrs. Weng Seng & Co, to Ismail. On 23 October 2018, the Group announced that the civil suit has withdrawn to go for arbitration.

(b) NWPBu against Listari Marina (MM2H) Sdn Bhd ("LMSB")

On 4th November 2016, NWPBu and LMSB entered into Turnkey Construction Agreement (the "Turnkey Agreement") to taking over the OneLe Tower Project as Turnkey Contractor to continue to complete the construction of OneLe Tower Project for a total consideration of RM22,000,000. Prior to Turnkey Agreement, LMSB had engaged Cherish Words Sdn Bhd ("CW") as main contractor to undertake the construction of the OneLe Tower Project.

As part of the term of Turnkey Agreement, NWPBu agreed to LMSB's request and had made a settlement sum of RM6,500,000 to CW for work done on OneLe Tower Project by CW on behalf of LMSB (the "Advance"). The Advance shall be due and refundable by LMSB to NWPBu pursuant to the Turnkey Agreement's term.

Despite NWPBu has given sufficient time for LMSB to hand over the OneLe Tower Project' site to the NWPBu, LMSB has continuously failed to fulfill its obligation. On 7 November 2018, the Group announced that NWPBu filed a Writ of Summons together with Statement of Claim, via its solicitors, Messrs. Weng Seng & Co, against LMSB.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018
(Continued)

38. MATERIAL LITIGATION (Continued)

(b) NWPBu against Listari Marina (MM2H) Sdn Bhd ("LMSB") (Continued)

NWPBu has filed a civil suit against LMSB for recovering of RM6.5 million only. On 13 December 2018, LMSB filed their defence and counter-claim in the sum of RM15,632,785 only for non-performance of the turnkey construction agreement. The management are required to file a reply and defence to counter claim on or before 31 January 2019. The case management hearing date is fixed on 10 January 2019 at Kuala Lumpur High Court.

(c) NWP Industries Sdn. Bhd. ("NWPI") against Sabah Forest Industries Sdn. Bhd. ("SFI")

On 10 September 2017, NWPI, the subsidiary of the Company, had filed proof of debt with the receiver for SFI for sum of RM53,642.

39. Corporate guarantee

	Company	
	2018 RM	2017 RM
Unsecured		
Corporate guarantees issued to financial institutions for credit facilities granted to a subsidiary	-	400,000

LIST OF PROPERTIES
AS AT 31ST AUGUST 2018

Location	Description/ Existing Use	Tenure/ Expiriry 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/ (14/09/2018)	4.046	25	6,881
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 expring on 31 December 2096	28/08/1997/ (14/09/2018)	2.683	22	4,618
Country Lease 025359951, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah.	Open shed timber stock and moulding yard	99 years lease expring on 31 December 2098	01/04/2004/ (14/09/2018)	2.515	16	4,329

ANALYSIS OF SHAREHOLDINGS
AS AT 30 NOVEMBER 2018

ISSUED AND FULLY PAID-UP SHARE CAPITAL	:	RM107,863,311
CLASSES OF SHARES	:	392,253,000 Ordinary Shares
VOTING RIGHTS	:	One vote per ordinary share (on poll)

SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of holders	%	No. of Shares	%
1 - 99	54	2.25	1,623	0.00
100 – 1,000	167	6.97	69,108	0.02
1,001 - 10,000	1,030	42.99	5,547,853	1.42
10,001 – 100,000	919	38.36	33,461,608	8.53
100,001 – less than 5% issued shares	223	9.31	208,587,412	53.18
5% and above issued shares	3	0.13	144,585,396	36.86
TOTAL	**2,396**	**100.00**	**392,253,000**	**100.00**

SUBSTANTIAL SHAREHOLDER
As per the Register of Substantial Shareholders

Name	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Sepang Heights Sdn. Bhd.	77,827,196	19.84	-	-
Wong See Ming [(i)]	19,407,000	4.95	77,827,196[(i)]	19.84
Dato' Sri Kee Soon Ling	38,188,500	9.74		-
Mak Hon Leong [(ii)]	30,013,000	7.65	1,000,000[(ii)]	0.25
TOTAL	**165,435,696**	**42.18**	**78,827,196**	**20.09**

(i) Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of his shareholdings in Sepang Heights Sdn. Bhd.
(ii) Deemed interest pursuant to Section 197 of the Companies Act 2016 by virtue of shares held by his spouse.

DIRECTORS' INTERESTS IN SHARES
As per the Register of Directors' Shareholdings

Name	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Dato' Sri Kee Soon Ling	38,188,500	9.74	-	-
Wong See Ming	19,407,000	4.95	77,827,196[(i)]	19.84
Mak Hon Leong	30,013,000	7.65	1,000,000[(ii)]	0.25
Yew Onn Chong	1,500,000	0.13	-	-
TOTAL	**89,108,500**	**22.72**	**78,827,196**	**20.09**

(i) Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of his shareholdings In Sepang Heights Sdn. Bhd.
(ii) Deemed interest pursuant to Section 197 of the Companies Act 2016 by virtue of shares held by his spouse.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 NOVEMBER 2018

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% of Shares
1.	Sepang Heights Sdn Bhd	77,827,196	19.84
2.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kee Soon Ling	36,745,200	9.37
3.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mak Hon Leong	30,013,000	7.65
4.	Wong See Ming	18,783,800	4.79
5.	Cheok Wi Kim	14,203,596	3.62
6.	Rimba Plantation Sdn Bhd	14,014,668	3.57
7.	Tegas Erti Sdn Bhd	13,580,000	3.46
8.	Chew Kah Eng	12,836,700	3.27
9.	Ding Ming Tiong	10,802,504	2.75
10.	Yeo Chai Poh	6,400,900	1.63
11.	Pang Kwee Yin	5,333,336	1.36
12.	Tan Mao Ling	5,256,400	1.34
13.	Heliodoro Canalija Dayanan	4,944,000	1.26
14.	Ang Shau Chean	3,905,500	1.00
15.	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tang Tiang Seong	3,846,800	0.98
16.	Wong Kok Hoong	3,536,052	0.90
17.	Penta Wealth Sdn Bhd	3,307,000	0.84
18.	Lai Kon Fah	3,216,500	0.82
19.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Kooi Choong	2,651,820	0.68
20.	Tan Eng Eng	2,632,000	0.67
21.	Sim Ah Seng	2,477,100	0.63
22.	Wong Ah Wah	2,000,000	0.51
23.	Chew Thoo Lai	1,985,000	0.51
24.	Low Yen Har	1,661,500	0.42
25.	Lee Ying Ying	1,600,000	0.41
26.	Ng Wei Fong	1,500,000	0.38
27.	Yew Onn Chong	1,500,000	0.38
28.	Maybank Nominees (Tempatan) Sdn Bhd Lim Fang Tseng	1,499,900	0.38
29.	Kee Soon Ling	1,443,300	0.37
30.	TA Nominees (Tempantan) Sdn Bhd Pledged Securities Account for Tan Kim Eng	1,220,000	0.31
	Total	290,723,772	74.12

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held at Melati Room, Royale Chulan The Curve Hotel, No.6 Jalan PJU7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor on Friday, 25th January 2019 at 11.00 a.m. for the following purposes: -

1. To receive the Audited Financial Statements of the Company for the year ended 31st August 2018 together with the Reports of the Directors and Auditors thereon. **(Refer Note of Explantory Notes on Ordinary Business)**

2 To re-elect the following Directors retiring in accordance with the Company's Articles of Association.

a. Mr. Mak Hon Leong (Article 77) **(RESOLUTION 1)**
b. Mr. Tan Shiah Huei (Article 84) **(RESOLUTION 2)**
c. Mr. Wong See Ming (Article 84) **(RESOLUTION 3)**

3 To re-appoint Messrs. Ecovis AHL PLT 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 AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 **(RESOLUTION 5)**

"THAT subject always to the Companies Act, 2016 ("the Act"), the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental / regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares 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 Securities; AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company."

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
31 December 2018
Selangor Darul Ehsan

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING
(Continued)

Notes:-

1 *A member of the Company entitled to attend and vote at the meeting may appoint more than 2 proxies to attend and vote on the same occasion. A proxy appointed may but need not be a member of the Company. If a member appoints 2 or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*

2 *If the appointer is a corporation, the form of proxy must be under its common seal or under the hand of an officer or attorney duly authorized in writing.*

3 *Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act 1991.*

4 *The proxy form must be deposited at the registered office of the Company at Unit 1119, 11th Floor, Block A, Damansara Intan, No. 1, Jalan S20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, at least 48 hours before the time fixed for holding the meeting or any adjournment thereof.*

5 *Kindly note that the date of the General Meeting Record of Depositors shall be on 18 January 2019.*

Explanatory Notes on Ordinary Business: -

Agenda 1 is meant for discussion only as Section 340(1) (a) of the Companies Act, 2016 provide that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

Explanatory Notes for the Special Business: -

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% f 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 the Notice, no new shareof the Company was issued pursuant to the mandate granted to the Directors at the Eighteenth Annual General Meeting held on 12 February 2018.

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.

FORM OF PROXY

NINETEENTH ANNUAL GENERAL MEETING

NWP HOLDINGS BERHAD
495476-M

*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 Nineteenth Annual General Meeting of the Company to be held at *Melati Room, Royale Chulan The Curve Hotel, No.6, Jalan PJU 7/3, Mutiara Damansara, 47800 Kuala Lumpur on Friday*, 25 day of January 2019 at 11.00 a.m. and at any adjournment thereof *for / against the resolution(s) to be proposed thereat.

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

NO	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr. Mak Hon Leong as a Director. (Article 77)		
2.	To re-elect Mr. Tan Shiah Huei as a Director. (Article 84)		
3.	To re-elect Mr. Wong See Ming as a Director. (Article 84)		
4.	To re-appoint Messrs. Ecovis AHL PLT as the Company's Auditors		
5.	Authority to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016.		

Signed this_______ day of ___________ 2019

COMMON SEAL

No. of shares held

____
Signature(s) of Shareholder(s)

Notes:

1 *A member of the Company 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 same meeting. Where a member appoints two (2) proxies, the appointmenst shall be invalid unless he/she specifies the proportion of his/ she shareholdings to be represented by each proxy.*

3. *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.*

4. *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.*

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.*

** Delete where applicable*

Please fold here

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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