
16. DIRECTORS' REPORT

(Prepared for inclusion in this Prospectus)



NWP HOLDINGS BERHAD (495476-M)

68C, Jalan SS2/72, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel: 603-757 3588 Fax: 603-7722 2587

18 SEP 2000

The Shareholders,
NWP Holdings Berhad
68C, Jalan SS 2/72
47300 Petaling Jaya

Dear Sir/Madam

On behalf of the Directors of NWP Holdings Berhad ("NWPH"), I report after due inquiry that during the period from 30 April 2000 (being the date to which the last proforma audited accounts of NWPH and its subsidiary ("Group") have been made up) to 18th September 2000 (being a date not earlier than fourteen (14) days before the issue of this Prospectus): -

- (a) the business of the Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen which have adversely affected the trading or the values of the assets of the Group;
- (c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities by reason of any guarantees given by the Group; and
- (e) save as disclosed in this Prospectus, there have been no changes in the published reserves nor any unusual factors affecting the profit of Group.

Yours faithfully
For and on behalf of the Board of Directors of
NWP HOLDINGS BERHAD

Chang Ah Ngau
Managing Director

17. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)

YEAP CHENG CHUAN, P.A. (M), FCCA, CPA

شرکت یاف چینگ چوان
YEAP CHENG CHUAN & CO.
Public Accountants

葉清
集
會
計
公
司

SUITE 609, BLOCK C, PHILEO DAMANSARA 1, 9, JALAN 16/11, OFF JALAN DAMANSARA, 46350 PJ.
Tel: 03-4608112, 4608121, 4608966 Fax: 03-4608911 E-Mail: sbsyeap@pd.jaring.my

18 September 2000

The Board Of Directors
NWP HOLDINGS BERHAD
68C Jalan SS2/72
47300 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

A. INTRODUCTION

This report has been prepared for inclusion in the Prospectus of NWP HOLDINGS BERHAD (hereinafter referred to as "NWPH" or "the Company") to be dated 27 September 2000 in connection with the public issue of 9,000,000 new ordinary shares of RM1.00 each in NWPH at an issue price of RM1.60 per ordinary share pursuant to the listing of and quotation for its entire enlarged issued and fully paid up share capital on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").

B. GENERAL INFORMATION

1. Incorporation

The Company was incorporated on 5 October 1999 as a public limited company under its present name.

2. Restructuring and Listing Exercise

In conjunction with and as an integral part of the listing of and quotation for the entire issued and fully paid up share capital of NWPH on the Main Board of the KLSE, the Company undertook a restructuring and listing exercise involving the following:-

- a) Acquisition of the entire issued and fully paid up shares capital of NWP Industries Sdn Bhd (formerly known as NWP Industries Berhad) ("NWP") consisting of 2,000,000 ordinary shares of RM1.00 each, by way of an issue of 46,034,714 new ordinary shares of RM1.00 each in NWPH at an issue price of approximately RM1.165 per ordinary share;

17. ACCOUNTANTS' REPORT (Cont'd)

- b) A rights issue of 4,965,284 new ordinary shares of RM1.00 each in NWPH at par value on the basis of approximately 108 new ordinary shares for every 1,000 ordinary shares of RM1.00 each held after the acquisition of NWP ;
- c) A public issue of 9,000,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.60 per ordinary share ; and
- d) The listing of and quotation for NWPH's entire enlarged issued and fully paid-up share capital on the Main Board of the KLSE.

3. Share Capital

The authorised share capital of the Company as at the date of incorporation is RM100,000 consisting of 100,000 ordinary shares of RM1.00 each.

The authorised share capital was increased from RM100,000 to RM100,000,000 by the creation of 99,900,000 new ordinary shares of RM1.00 each on 18 July 2000.

The present issued and fully paid-up share capital of the Company is RM51,000,000 consisting of 51,000,000 ordinary shares of RM1.00 each.

Details of the changes in the issued and fully paid-up share capital of the Company since the date of incorporation are as follows:-

Date of allotment	No of ordinary shares of RM 1.00	Consideration	Total issued and fully paid-up share capital RM
5 October 1999	2	Cash, subscribers' shares	2
18 July 2000	46,034,714	Consideration for the acquisition of the entire issued and fully paid-up share capital of NWP at approximately RM1.165 per share	46,034,716
16 August 2000	4,965,284	Rights issue on the basis of approximately 108 new ordinary shares for every 1,000 shares held, at par	51,000,000

The Company will be making a public issue of 9,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.60 per ordinary share. Upon completion of the public issue, the issued and fully paid-up share capital of the Company would be increased to RM60,000,000 consisting of 60,000,000 ordinary shares of RM1.00 each.

17. ACCOUNTANTS' REPORT (Cont'd)**4. Principal Activities**

The Company has been dormant since the date of incorporation until it became an investment holding company pursuant to the implementation of the restructuring and listing exercise referred to in paragraph B2 of this report.

The principal activity of the subsidiary is described in paragraph B5 of this report.

5. Subsidiary and Associated Company

Pursuant to the implementation of the restructuring scheme referred to in paragraph B2 of this report, the subsidiary of NWPH is as follows :-

Name	Date and place of incorporation	Issued and paid-up share capital RM	Effective equity interest	Principal activities
NWP INDUSTRIES SDN. BHD. (former known as NWP Industries Berhad)	6 July 1985 Malaysia	2,000,000	100%	Manufacturing of various types of timber products, sawn timber trading and provision of timber treatment and kiln drying services.

NWPH does not have any associated company. NWPH Group as indicated in this report refers to NWPH and its wholly-owned subsidiary, NWP.

C. AUDITORS' REPORT

We were appointed to act as auditors of NWP and NWPH since their incorporation and have reported on their accounts without any qualifications.

D. DIVIDENDS

No dividend was paid by NWPH from the date of incorporation to 30 April 2000. However, an interim dividend of 5% (tax exempt) amounting to RM2,550,000 was paid to its shareholders on 21 August 2000.

No dividend was paid by NWP for the five financial years ended 31 August 1995 to 1999 and the period ended 30 April 2000. However, an interim dividend of 130% (tax exempt) amounting to RM2,600,000 was paid to the Company on 19 August 2000.

17. ACCOUNTANTS' REPORT (Cont'd)

E. SUMMARISED PROFIT AND LOSS ACCOUNTS

1. The Proforma Group

The summarised proforma consolidated profit and loss accounts for the Group for the five (5) financial years ended 31 August 1995 to 1999 and the eight (8) months from 1 September 1999 to 30 April 2000 as set out below, for illustrative purposes only, have been prepared on the assumption that the acquisition of NWP under the restructuring and listing exercise mentioned in paragraph B2 of this report had been effected throughout the period under review.

	Financial year ended 31 August—					8-month period ended 30 April 2000
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	RM'000
Turnover	21,800	31,072	34,784	45,840	54,573	37,403
Profit before depreciation and interest	6,220	8,962	9,624	11,084	11,886	8,516
Depreciation	(860)	(952)	(976)	(1,322)	(1,626)	(1,136)
Interest expense	(463)	(533)	(476)	(163)	(118)	(227)
Interest income	-	4	-	34	48	568
Profit before taxation	4,897	7,481	8,172	9,633	10,190	7,721
Taxation	-	-	(65)	(12)	(15)	(159)
Profit after taxation	4,897	7,481	8,107	9,621	10,175	7,562
No. of ordinary shares assumed in issue ('000)	46,035	46,035	46,035	46,035	46,035	46,035
Net EPS (sen)	10.64	16.25	17.61	20.90	22.10	24.64*
Gross dividend rate (%)	-	-	-	-	-	-

Notes:-

* Annualised

- (i) Apart from that mentioned in notes (iii) and (iv) below, turnover increased significantly from financial year 1995 to financial year 1999 mainly due to the increase in production capacity and the installation of new production lines for the production of new products such as jambs, laminated mouldings and timber flooring. The production capacity of solid timber mouldings increased from 7,500 tonnes per annum in 1995 to 9,000 tonnes in 1999 whilst the capacity of jambs increased from 1,100 tonnes per annum in 1995 to 2,200 tonnes in 1999. The production capacity of jointed/laminated mouldings increased from 1,600 tonnes per annum in 1995 to 4,000 tonnes per annum in 1999. The production capacity for timber flooring increased from 800 tonnes per annum in 1996 to 6,000 tonnes per annum in 1999.
- (ii) The increase in profit before taxation throughout the financial years under review is in line with the increase in turnover and effective control over the Group's operating overheads.
- (iii) The relatively significant increase in turnover and profit before taxation for the financial year 1996 is due to contributions from a new finger joint system and nine (9) kiln-drying chambers installed during the financial year 1995 whilst the relatively significant increase in turnover for the financial year 1998 is mainly due to the depreciation of RM against USD.

17. ACCOUNTANTS' REPORT (Cont'd)

- (iv) *Turnover and profit before taxation for the financial period ended 30 April 2000 are higher in comparison to the corresponding period in the previous financial year due mainly to the increase in production of its timber mouldings products.*
- (v) *The taxation charged for the financial year 1999 is related to the underprovision in the previous year.*
- (vi) *The number of ordinary shares assumed in issue throughout the financial years and period under review is the number of ordinary shares in issue after the acquisition of NWP.*
- (vii) *No dividend was declared and paid by the proforma Group during the financial years and period under review. However, NWPH has, on 21 August 2000, declared and paid an interim tax-exempt dividend of 5% amounting to RM2.55 million (whilst NWP has, on 19 August 2000, declared and paid an interim tax-exempt dividend of 130% amounting to RM2.6 million to NWPH) for the financial year ended 31 August 2000.*
- (viii) *The Group enjoys pioneer status for its general moulding products under the Promotion of Investment Act, 1986 for a period of ten (10) years, which will expire on 30 June 2001. In addition, the Group has unabsorbed capital allowances amounting to RM17,854 as at 31 August 1999 (subject to confirmation from the Inland Revenue Board) to off-set the taxable income derived from non-pioneer status products and services such as sawn timber trading and kiln-drying services.*
- (ix) *There was no exceptional or extraordinary item in respect of the financial years and period under review.*

2. The Company and its subsidiary

The summarised profit and loss account of the Company based on the audited accounts for the period from 5 October 1999 to 30 April 2000 is as follows:-

	Period from 5 October 1999 to 30 April 2000 RM
Turnover	-
Profit/Loss before depreciation and interest	-
Depreciation	-
Interest expense	-
Profit/Loss before taxation	-
Taxation	-
Profit/Loss after taxation	-
No. of ordinary shares in issue	2
Net EPS (RM)	-
Gross dividend rate (%)	-

Note:-

NWPH was incorporated on 5 October 1999 and has been dormant up to 30 April 2000.

17. ACCOUNTANTS' REPORT (Cont'd)

NWP

The summarised profit and loss accounts of NWP based on the audited accounts for the past five (5) financial years ended 31 August 1995 to 1999 and the eight (8) months period ended 30 April 2000 are as follows:-

	Financial year ended 31 August					8-month period ended 30 April 2000
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	RM'000
Turnover	21,800	31,072	34,784	45,840	54,573	37,403
Profit before depreciation and interest	6,220	8,962	9,624	11,084	11,886	8,516
Depreciation	(860)	(952)	(976)	(1,322)	(1,626)	(1,136)
Interest expense	(463)	(533)	(476)	(163)	(118)	(227)
Interest income	-	4	-	34	48	568
Profit before taxation	4,897	7,481	8,172	9,633	10,190	7,721
Taxation	-	-	(65)	(12)	(15)	(159)
Profit after taxation	4,897	7,481	8,107	9,621	10,175	7,562
No. of ordinary shares in issue ('000)	2,000	2,000	2,000	2,000	2,000	2,000
Net EPS (RM)	2.45	3.74	4.05	4.81	5.09	5.67*
Gross dividend rate (%)	-	-	-	-	-	-

Notes:-

* Annualised

- (i) Apart from that mentioned in notes (iii) and (iv) below, turnover increased significantly from financial year 1995 to financial year 1999 mainly due to the increase in production capacity and the installation of new production lines for the production of new products such as jambs, laminated mouldings and timber flooring. The production capacity of solid timber mouldings increased from 7,500 tonnes per annum in 1995 to 9,000 tonnes in 1999 whilst the capacity of jambs increased from 1,100 tonnes per annum in 1995 to 2,200 tonnes in 1999. The production capacity of jointed/laminated mouldings increased from 1,600 tonnes per annum in 1995 to 4,000 tonnes per annum in 1999. The production capacity for timber flooring increased from 800 tonnes per annum in 1996 to 6,000 tonnes per annum in 1999.
- (ii) The increase in profit before taxation throughout the financial years under review is in line with the increase in turnover and effective control over its operating overheads.
- (iii) The relatively significant increase in turnover and profit before taxation for the financial year 1996 is due to contributions from a new finger joint system and nine (9) kiln-drying chambers installed during the financial year 1995 whilst the relatively significant increase in turnover for the financial year 1998 is mainly due to the depreciation of RM against USD.
- (iv) Turnover and profit before taxation for the financial period ended 30 April 2000 are higher in comparison to the corresponding period in the previous financial year due mainly to the increase in production of its timber mouldings products.
- (v) The taxation charged for the financial year 1999 is related to the underprovision in the previous year.
- (vi) No dividend was declared and paid by NWP during the financial years and period under review. However, NWP has, on 19 August 2000, declared and paid an interim tax-exempt dividend of 130% amounting to RM2.6 million, to NWPH.

17. ACCOUNTANTS' REPORT (Cont'd)

(vii) *NWP enjoys pioneer status for its general moulding products under the Promotion of Investment Act, 1986 for a period of ten (10) years, which will expire on 30 June 2001. In addition, it has unabsorbed capital allowances amounting to RM17,854 as at 31 August 1999 (subject to conformation from the Inland Revenue Board) to off-set the taxable income derived from non-pioneer status products and services such as sawn timber trading and kiln-drying services.*

(viii) *There was no exceptional or extraordinary item in respect of the financial years and period under review.*

F. SUMMARISED BALANCE SHEETS

The individual summarized balance sheets of NWPH and its subsidiary, NWP, based on the audited accounts are presented as follows:-

NWPH	As at 30 April 2000 RM'000
Current assets	*
Current liabilities	(3)
Net current liabilities	(3)
Expenditure carried forward	3
Share capital	*
NTA per share (RM)	(1,499)

Note:-

* RM2.00 only

NWP	As at 31 August					As at
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	30 April 2000 RM'000
Fixed assets	15,838	14,937	15,262	19,673	19,371	18,226
Current assets	8,854	14,780	18,263	23,471	33,695	43,351
Current liabilities	(6,963)	(5,772)	(2,035)	(1,697)	(1,922)	(2,888)
Net current assets	1,891	9,008	16,228	21,774	31,773	40,463
Long term liabilities	(1,990)	(724)	(162)	(498)	(20)	(4)
	15,739	23,221	31,328	40,949	51,124	58,685
Share capital	2,000	2,000	2,000	2,000	2,000	2,000
Unappropriated profit	12,671	20,153	28,260	37,881	48,056	55,617
Capital reserve	1,068	1,068	1,068	1,068	1,068	1,068
	15,739	23,221	31,328	40,949	51,124	58,685
NTA per share (RM)	7.87	11.61	15.66	20.47	25.56	29.34

17. ACCOUNTANTS' REPORT (Cont'd)

G. STATEMENT OF ASSETS AND LIABILITIES

The following is the detailed statement of assets and liabilities of the proforma NWP Group which has been prepared for illustrative purposes only based on the audited accounts of NWP and the audited accounts of its subsidiary as at 30 April 2000. The statement of assets and liabilities of the proforma NWP Group has been prepared based on the assumption that the acquisition of NWP as mentioned in paragraph B2 of this report has been effected as at 30 April 2000 and should be read in conjunction with the notes thereon.

	Note	Audited NWP RM'000	Proforma NWP Group RM'000
Fixed Assets	H3	-	20,737
Current Assets			
Stocks	H4	-	11,663
Trade debtors		-	2,207
Other debtors, deposits and prepayments		-	562
Cash and bank balances		*	28,919
		-	43,351
Current Liabilities			
Trade creditors		-	315
Other creditors and accruals		3	460
Short term borrowings	H5	-	1,957
Taxation		-	159
		3	2,891
Net Current (Liabilities) /Assets		(3)	40,460
Expenditure Carried Forward		3	3
		*	61,200
Share Capital	H6	*	46,035
Reserves	H7	-	15,161
		*	61,196
Long Term Liabilities	H8	-	4
		*	61,200
Net Tangible Assets Per Share (RM)		(1,499)	1.33

Note:

* RM 2.00 only

17. ACCOUNTANTS' REPORT (Cont'd)

H. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES**1. Basis Of Preparation Of Statement Of Assets And Liabilities**

The statement of assets and liabilities has been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards of the Malaysian Accounting Standards Board.

2. Significant Accounting Policies**General**

All accounting policies are consistent with those applied in the previous year.

Accounting Convention

The statement of assets and liabilities has been prepared under the historical cost convention modified by the revaluation of certain fixed assets.

Basis Of Consolidation

The consolidated accounts incorporate the audited accounts of the Company and its subsidiary made up to 30 April 2000.

The subsidiary is consolidated using the merger method of accounting in accordance with Malaysian Accounting Standard No. 2. Under the merger method of accounting, the results of the subsidiary is presented as if the company has been combined throughout the current and previous financial years.

The difference between the cost of acquisition over the nominal value of the share capital of the subsidiary is taken as merger reserve.

Merger debit arising on consolidation is written off against the consolidated revenue reserves.

Investment in Subsidiary

Investment in subsidiary, which is eliminated on consolidation, is stated at cost. A provision is made when the directors are of the view that there is a permanent diminution in the value of the underlying net tangible assets.

Depreciation of Fixed Assets

It is the Company's policy that all assets except for leasehold land are depreciated from the month of acquisition and no depreciation is provided for in the month of disposal. Depreciation is calculated to write off the cost on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose which are consistent with those of the previous period are:-

	Rate
Factory Building	2%
Plant and Machinery	10%
Motor Vehicles	20%
Electrical Installations	10%

17. ACCOUNTANTS' REPORT (Cont'd)

	Rate
Furniture, Fittings and Office Equipment	10%
Factory Equipment and Tools	10%
Office Renovation	10%

No amortisation is provided on leasehold land. This is not in compliance with Malaysian Accounting Standards Board Standard No. 14. The directors are of the opinion that the non-amortisation of leasehold land has no material effect on the accounts.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out method.

Cost of finished goods and work-in-progress consist of cost of raw materials, direct expenditure and production overheads where appropriate. In arriving at net realisable value, due allowance is made for all obsolete and slow-moving stock items.

Deferred Taxation

Deferred taxation, calculated using the liability method, is provided on timing differences arising from the difference in treatment in accounting and taxation of certain items except where it can be demonstrated with reasonable probability that the tax deferral will continue in the foreseeable future.

In accounting for timing differences, deferred tax debits are not accounted for, unless there is a reasonable expectation of their realisation.

Expenditure Carried Forward

Expenses incurred in connection with the incorporation of the Company and before the commencement of business have been deferred and carried forward at cost under preliminary and pre-operating expenses respectively. These are to be written off against future profits.

Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling on the date of each transaction. Where settlement of liabilities and receivables has not yet taken place at the end of the financial period, foreign currencies are converted at the approximate exchange rates prevailing on that date.

Gains and losses arising from currency conversions are taken up in the profit and loss account.

Turnover

Turnover comprises gross invoiced value of sales less sales returns and discounts allowed.

17. ACCOUNTANTS' REPORT (Cont'd)**3. Fixed Assets**

Proforma NWPB Group	Cost or Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
Leasehold land and factory building – Valuation	14,303	1,453	12,850
Plant and machinery	13,399	5,778	7,621
Motor vehicles	764	706	58
Electrical installation	363	287	76
Furniture, fittings and office equipment	165	74	91
Factory equipment and tools	36	24	12
Office renovation	42	13	29
	29,072	8,335	20,737

4. Stocks

	Proforma NWPB Group RM'000
Finished goods	911
Work-in-progress	243
Raw materials	10,509
	11,663

5. Short Term Borrowings

	Proforma NWPB Group RM'000
Bills payable	1,528
Bank overdraft (secured)	429
	1,957

The bank credit facilities of the Group are secured as follows:-

- a) a debenture and legal mortgage over its landed properties and all fixed and floating assets of NWP up to RM7.163 million;
- b) a corporate guarantee by the holding company; and
- c) the joint and several guarantees of certain directors of NWPB.

6. Share Capital

	Audited NWPB RM'000	Proforma NWPB Group RM'000
Ordinary shares of RM1.00 each:		
Authorised	100	100,000
Issued and fully paid	*	46,035

17. ACCOUNTANTS' REPORT (Cont'd)**Note:-**

* Made up of 2 ordinary shares of RM1.00 each.

The increase in the authorised and issued and fully paid share capital is pursuant to the acquisition of NWP as mentioned in paragraph B2 of this report.

7. Reserves**Proforma NWP Group**

	Non-distributable	Distributable	
	Revaluation Reserve RM'000	Unappropriated Profit RM'000	Total RM'000
As at 30 April 2000	-	55,617	55,617
Add:			
Revaluation of leasehold land and buildings	3,579	-	3,579
Less:			
Merger deficit set-off against			
- revaluation reserve	(3,579)	-	(3,579)
- unappropriated profit	-	(40,456)	(40,456)
	-	15,161	15,161

8. Long Term Liabilities**Proforma NWP Group
RM'000**

Hire purchase creditors	149
Portion due within 12 months shown under other creditors and accruals	(145)
Portion due after 12 months shown as long term liabilities	4

9. Subsequent Events

Subsequent to 30 April 2000 :-

- (i) a rights issue was implemented on 16 August 2000 of 4,965,284 new ordinary shares of RM1.00 each at par on the basis of approximately 108 new ordinary shares of RM1.00 each for every 1,000 ordinary shares held after the acquisition of NWP; and
- (ii) an interim dividend of 5% (tax exempt) amounting to RM2.55 million was paid by the Company to its shareholders on 21 August 2000, whilst NWP paid a dividend of 130% (tax exempt) amounting to RM2.6 million, to the Company on 19 August 2000.

17. ACCOUNTANTS' REPORT (Cont'd)

10. Consolidated Net Tangible Assets Cover


Based on the proforma statement of assets and liabilities of the Proforma NWPH Group as at 30 April 2000 and after adjusting for the rights issue, public issue and the estimated listing expenses, the proforma consolidated net tangible assets cover will be as follows:-


	Proforma NWPH Group RM'000
Tangible assets as per the Proforma NWPH Group's statement of assets and liabilities	61,196
Less : Expenditure carried forward	(3)
Net tangible assets	<u>61,193</u>
Proceeds from the rights issue	4,965
Proceeds from the public issue	14,400
Estimated listing expenses	<u>(2,000)</u>
	<u>78,558</u>
Number of ordinary shares of RM1.00 each assumed in issue at 30 April 2000 ('000)	46,035
Number of shares to be issued pursuant to the rights issue ('000)	4,965
Number of shares to be issued pursuant to the public issue ('000)	<u>9,000</u>
	<u>60,000</u>
Net tangible assets cover per ordinary share of RM1.00 each (RM)	<u>1.31</u>

Audited Accounts

No audited accounts of NWPH and NWP have been prepared in respect of any period subsequent to 30 April 2000.

Yours faithfully,


YEAP CHENG CHUAN & CO.
NO. AF 0116
PUBLIC ACCOUNTANTS


YEAP CHENG CHUAN
NO. 566/4/02 (J/PH)
PUBLIC ACCOUNTANT

18. VALUATION CERTIFICATE

(Prepared for inclusion in this Prospectus)

JS VALUERS PROPERTY CONSULTANTS SDN BHD

Reg No.: Ve(1)0088/1

Co. No.: 265185-U

Registered Valuers - Property Managers & Consultants
Real Estate Agents - Compensation & Rating ValuersPenilai Berdaftar - Ejen Hartanah
Pengurus dan Perunding HartanahLevel 5, Wisma Fook Loi, No. 38 Jalan Gaya, 88000 Kota Kinabalu, P. O. Box 10353, 88803 Kota Kinabalu, Sabah, Malaysia.
Tel : 088-254877 (6 lines), 216502. Fax : 088-256812.Rayner B L Mokun, Dip Est Man (U.K.), MISM, IRRV
Peter Yapp Fook Sin, BSc (Hons) Est Man (U.K.), ARICS, MISMA, ASVA, IRRV
Victor Vincent Alvin Lim JR, BBus (Val & E.), MISM, MREANg Lai Choong, BSc, FRICS, MISM
Tan Ewe Leong, MISM
Lau Shu Chon, BSc Land Adm (U.K.), MISM
Chong Moon Kew, Dip Est Man (U.K.), MISM18th September 2000The Board of Directors
NWP Holdings Berhad
68C, Jalan SS 2/72
47300 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

VALUATION OF LANDED PROPERTIES

This Certificate has been prepared for inclusion in the Prospectus of NWP Holdings Berhad to be dated 27th September 2000 in connection with the public issue of 9,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.60 per ordinary share pursuant to the listing of and quotation for its entire issued and paid-up share capital on the Main Board of Kuala Lumpur Stock Exchange.

In accordance with your instruction, we have assessed the market value of the landed properties set out below. The details of the aforesaid valuation are set out in our valuation report under reference JS.02/2/12912-AH75 dated 15th September 1999. The valuation report has been prepared based on the Guidelines on Asset Valuation for submission to the Securities Commission and professional standards prescribed by the Board of Valuers, Appraisers & Estate Agents and other professional bodies.

The landed properties are held for owner occupation and the summary of the valuation are as follows:-

Property	Registered Owner	Description	Land Area (acres)	Tenure	Approx. Age of Building (Years)	Market Value RM'000	Method of Valuation	Date of Valuation
Country Lease 025339566	NWP Industries Sdn Bhd (formerly known as NWP Industries Berhad)	Consist of main office, tool and saw-doctoring rooms, machinery sheds, kiln drying bays, boiler building, stacking sheds, labourline, canteen and a timber workshop with gross floor area of 180,278 square feet. The building is located at Kampung Lanas, Mukim of Kimanis, Papar District, Sabah	10.00	99 years lease expiring on 31 December 2064	7	9,660	Contractor's and Comparative Methods	1 Sept 1999

OFFICES AT

KUALA LUMPUR: No. 8A, Jalan Telawi 4, Bangsar Baru, 59100 Kuala Lumpur Tel: 03-2872133 Fax: 03-2871728
JOHORE: 32E, 1st Floor, Jalan Rahmat, 83000 Batu Pahat, Johore Tel: 07-4317327, 4323191 Fax: 07-4317327
PENANG: Room A9, 1st Floor, 33-C Lebuh Pantai, 10300 Penang Tel: 04-2625003, 2624985 Fax: 04-2634525
SANDAKAN: 1st Floor, Lot 4, Block 11, Lorong 2, Bandar Indah, Mile 4 Jalan Utara, Sandakan Tel: 089-217013, 228117 Fax: 089-220614
SUBANG JAYA: No. 61-B, Jalan SS15/4C, Subang Jaya, 47600 Petaling Jaya, Selangor Tel: 03-7369199 (3 lines) Fax: 03-7369193

18. VALUATION CERTIFICATE (Cont'd)

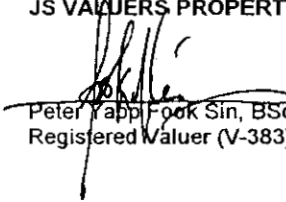
- 2 -



Property	Registered Owner	Description	Land Area (acres)	Tenure	Approx. Age of Building (Years)	Market Value RM'000	Method of Valuation	Date of Valuation
Country Lease 025348298	NWP Industries Sdn Bhd (formerly known as NWP Industries Berhad)	Consist of machinery sheds, generator set room, kiln drying bays, staff quarters and with gross floor area Of 99,880 square feet. The building is adjoining the property mentioned above.	6.63	99 years lease expiring on 31 December 2096	4	6,612	Contractor's and Comparative Methods	1 Sept 1999
						16,272		

We certify that in our opinion the total market value for the existing use of the above properties using the valuation methods stated above amounts to **RM16,272,000.00 (Ringgit Malaysia Sixteen Million Two Hundred and Seventy Two Thousand Only).**

Yours faithfully
JS VALUERS PROPERTY CONSULTANTS SDN BHD


Peter Yapp Fook Sin, BSc(Hons), Est.Man.(U.K.), ARICS, MISM, ASVA, IRRV
Registered Valuer (V-383)