

NWP HOLDINGS BERHAD (Company No: 199901020576 (495476-M))

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 1 SEPTEMBER 2019 TO 30 NOVEMBER 2020**

(The figures have not been audited)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		15 months ended	
	30.11.2020 RM' 000	30.11.2019 RM' 000	30.11.2020 RM' 000	30.11.2019 RM' 000
Revenue	714	N/A	6,602	N/A
Cost of sales	(1,424)	N/A	(10,221)	N/A
Gross loss	<u>(710)</u>	<u>N/A</u>	<u>(3,619)</u>	<u>N/A</u>
Other income	11	N/A	48	N/A
Administrative expenses	(148)	N/A	(1,440)	N/A
Other expenses	(540)	N/A	(1,260)	N/A
Finance cost	(55)	N/A	(195)	N/A
Loss before tax	<u>(1,442)</u>	<u>N/A</u>	<u>(6,466)</u>	<u>N/A</u>
Tax expense	-	N/A	-	N/A
Loss for the period	<u>(1,442)</u>	<u>N/A</u>	<u>(6,466)</u>	<u>N/A</u>
Other comprehensive income, net of tax	-	N/A	-	N/A
Total comprehensive loss	<u><u>(1,442)</u></u>	<u><u>N/A</u></u>	<u><u>(6,466)</u></u>	<u><u>N/A</u></u>
Total comprehensive loss attributable to:				
Owners of the Company	(1,442)	N/A	(6,466)	N/A
Non-controlling interests	-	N/A	-	N/A
	<u><u>(1,442)</u></u>	<u><u>N/A</u></u>	<u><u>(6,466)</u></u>	<u><u>N/A</u></u>
Basic loss per share (sen)	(0.33)	N/A	(1.50)	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 August 2019, and the accompanying explanatory notes attached this report.)

NWP HOLDINGS BERHAD (Company No: 199901020576 (495476-M))

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 1 SEPTEMBER 2019 TO 30 NOVEMBER 2020**

(The figures have not been audited)

	← Attributable to owners of the Company →				→
	← Non-distributable	→		Distributable	
	Share capital RM'000	Revaluation reserve RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total Total RM'000
GROUP					
As at 1 September 2019	112,063	-	54	(76,713)	35,404
Issuance of ordinary shares	381	-	-	-	381
Released upon surrender of options granted	-	-	(54)	54	-
	381	-	(54)	54	381
Loss for the period	-	-	-	(6,466)	(6,466)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(6,466)	(6,466)
As at 30 November 2020	112,444	-	-	(83,125)	29,319
As at 1 September 2018	N/A	N/A	N/A	N/A	N/A
Effects of MFRS convergence and adoption of MFRS 9 and MFRS 15	N/A	N/A	N/A	N/A	N/A
Restated	N/A	N/A	N/A	N/A	N/A
Issuance of shares	N/A	N/A	N/A	N/A	N/A
Waiver of amount due to previous minority interest	N/A	N/A	N/A	N/A	N/A
Loss for the period	N/A	N/A	N/A	N/A	N/A
Other comprehensive income, net of tax	N/A	N/A	N/A	N/A	N/A
Total comprehensive loss for the period	N/A	N/A	N/A	N/A	N/A
As at 31 August 2019	N/A	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with audited financial statements for the financial year ended 31 August 2019, and the accompanying explanatory notes attached to this report.)

NWP HOLDINGS BERHAD (Company No: 199901020576 (495476-M))

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020**

	As at 30.11.2020 (Unaudited) RM'000	As at 31.8.2019 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	30,370	32,158
Intangible asset	258	277
	<u>30,628</u>	<u>32,435</u>
Currents assets		
Inventories	3,181	5,469
Trade and other receivables	3,960	2,635
Deposits with licensed financial institutions	319	592
Cash and bank balances	544	1,369
	<u>8,004</u>	<u>10,065</u>
TOTAL ASSETS	<u><u>38,632</u></u>	<u><u>42,500</u></u>
EQUITY AND LIABILITIES		
Share capital	112,444	112,063
Share option reserve	-	54
Accumulated losses	(83,125)	(76,713)
Total Equity	<u>29,319</u>	<u>35,404</u>
Non-current liabilities		
Other payables	1,426	2,625
Obligation under finance lease	61	103
	<u>1,487</u>	<u>2,728</u>
Current liabilities		
Trade and other payables	7,615	2,628
Amount due to directors	177	1,708
Obligation under finance lease	34	32
	<u>7,826</u>	<u>4,368</u>
Total liabilities	<u>9,313</u>	<u>7,096</u>
TOTAL EQUITY AND LIABILITIES	<u><u>38,632</u></u>	<u><u>42,500</u></u>
Number of ordinary shares ('000)	431,478	427,253
Net asset per share (RM)	0.0680	0.0829

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 August 2019, and the accompany explanatory notes attached to this report.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

	12 months ended	
	30.11.2020 (Unaudited) RM'000	30.11.2019 (Audited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(6,466)	N/A
Adjustment for non-cash flow: -		
Depreciation of property, plant and equipment	1,791	N/A
Amortisation of biological, intangible and other assets	19	N/A
Gain on disposal of property, plant and equipment	-	N/A
Impairment losses on other receivables	-	N/A
Impairment losses on property, plant and equipment	-	N/A
Interest income	(17)	N/A
Interest expense	195	N/A
Inventories written down	-	N/A
Net unrealised loss on foreign exc	-	N/A
Property, plant and equipment written off	-	N/A
Reversal on loss allowance for trade receivables	-	N/A
Operating loss before changes in working capital	<u>(4,478)</u>	<u>N/A</u>
Changes in working capital		
Changes in inventories	2,288	N/A
Changes in receivables	(1,325)	N/A
Changes in payables	3,788	N/A
Changes in amount due to directors	(1,531)	N/A
Cash flow used in operations	<u>(1,258)</u>	<u>N/A</u>
Interest received	17	N/A
Interest paid	(188)	N/A
Net cash flow used in operating activities	<u>(1,429)</u>	<u>N/A</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3)	N/A
Purchase of intangible asset	-	N/A
Proceeds from disposal of asset held for sale	-	N/A
Proceeds from disposal of property, plant and equipment	-	N/A
Net cash flow generated from investing activities	<u>(3)</u>	<u>N/A</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid on hire purchase	(7)	N/A
Repayment of hire purchase	(40)	N/A
Issuance of ordinary shares	381	N/A
Net cash flow generated from/(used in) financing activities	<u>334</u>	<u>N/A</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,098)</u>	<u>N/A</u>
EFFECT OF FOREIGN EXCHANGE FLUCTUATION	-	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>1,961</u>	<u>N/A</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>863</u></u>	<u><u>N/A</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	544	N/A
Short term money market fund	319	N/A
Fixed deposit	79	N/A
	<u>942</u>	<u>N/A</u>
Less: fixed deposits pledged with licensed banks	(79)	N/A
	<u>863</u>	<u>N/A</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 August 2019, and the accompanying explanatory notes attached to this report.)

NWP HOLDINGS BERHAD (Company No: 199901020576 (495476-M))

(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

(The figures have not been audited)

1. SELECTED EXPLANATORY NOTES TO THE CONDENSED QUARTERLY REPORT

1.1 Basis of Preparation

The interim financial report is unaudited and NWP Holdings Berhad ("the Group") has prepared its financial report in compliance with the Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2019 and the accompanying explanatory notes attached to the interim financial statements.

The accounting policies and methods of computations used in the preparation of this interim financial report are consistent with those adopted by the Group in the audited financial statements for the financial year ended 31 August 2019, except for the adoption of the new MFRS and revision and amendments to MFRS and IC Interpretations effective as of 1 January 2019 as issued by the Malaysian Accounting Standards Board.

These new MFRS and revision and amendments not adopted by the Group do not have any significant impact on the financial statements of the Group.

1.2 Qualification of Audit Report of Preceding Financial Statements.

There was no qualified report issued by the auditors in the financial statements of the Group for the financial year ended 31 August 2019.

1.3 Seasonal or Cyclical Factors.

The Group's businesses were not materially affected by any seasonal or cyclical factors.

1.4 Unusual Items

There were no unusual items due to their nature, size or incidence affecting assets, liabilities, equity, net income or cash flows of the Group in current period under review.

1.5 Material Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current financial period under review.

1.6 Issuances and Repayment of Debt and Equity Securities

There were no issuances, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares during the financial period under review, except as disclosed below:

On 12 November 2019, the Company issued and allotted the final tranche of 4,225,300 Placement Shares at an issue price of RM0.09 each to raise gross proceed of RM380,277.

1.7 Dividend Paid

There were no dividends paid in current period under review.

1.8 Segmental Reporting

a) Information about business segment

The Group is principally engaged in the manufacturing and trading of timber and timber related products, provision of logging services and plantation and land clearing.

15 months ended 30 November 2020

	Moulding & Timber RM'000	Investment & Others RM'000	Consolidated RM'000
Total revenue	6,602	-	6,602
Segment result - Loss for the period	(4,943)	(1,523)	(6,466)

15 months ended 30 November 2019

	Moulding & Timber RM'000	Investment & Others RM'000	Consolidated RM'000
Total revenue	N/A	N/A	N/A
Segment result - Loss for the period	N/A	N/A	N/A

b) Information about geographical segment

	Revenue	
	15 months ended 30.11.2020 RM'000	15 months ended 30.11.2019 RM'000
Malaysia	2,703	N/A
Asia Pacific	3,899	N/A
Total	6,602	N/A

1.9 Material Events Subsequent to the end of the Current Quarter

There were no material events subsequent to the end of the current period under review, except as disclosed below:

a) Private Placement

On 13 October 2020, NWP has proposed a private placement of up to 43,147,800 new ordinary shares ("Placement Shares"), representing up to 10% of the total number of issued Shares in NWP (excluding treasury shares) pursuant to the general mandate obtained from the Company's shareholders.

On 26 November 2020, the Board fixed the issue price for the Placement Shares at RM0.13 each.

On 7 December 2020, NWP has issued and allotted 43,147,800 Placement Shares at an issue price of RM0.13 each to raise gross proceed of RM5,609,214.

b) Share Capital Reduction

On 13 October 2020, NWP proposed to reduce the issued capital ("the exercise"), of NWP by RM92 million pursuant to Section 116 of the Companies Act 2016.

On 17 December 2020, a special resolution was passed in the Extraordinary General Meeting to approve on the exercise and the poll results were declared as carried.

1.10 Changes in the Composition of the Group

There were no changes in the composition of Group during the period under review.

1.11 Contingent Liabilities

There were no contingent liabilities as at the date of this announcement.

1.12 Capital Commitments

There were no capital commitments as at the date of this announcement.

1.13 Change of Financial Year End

On 21 August 2020, the Board has announced on the change of the financial year end of the Group from 31 August to 28 February.

The comparative figures for the Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement and the related notes are for twelve (12) months from 1 September 2018 to 31 August 2019.

2. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS BY BURSA MALAYSIA SECURITIES BERHAD

2.1 Review of Performance

The Group recorded a revenue of RM6.60 million for the current financial period ended 30 November 2020, a drop of RM0.30 million or 4.33%, as compared to RM6.90 million in the corresponding year ended 31 August 2019. The lower revenue in the current financial period under review were mainly due to the prevailing Covid-19 pandemic which had inadvertently disrupted business operations worldwide. Furthermore, with the implementation of Movement Control Order in mid-March by the Government of Malaysia, the production and shipment of goods and raw materials, as well as provision of services, had come to a halt or has been delayed.

With the slowdown in activity during the financial period under review, the Group recorded a pre-tax loss of RM6.46 million, a slight increase of RM0.12 million or 2.04%, as compared to a pre-tax loss of RM6.34 million in the corresponding year ended 31 August 2019.

2.2 Material Changes in the Quarterly Results Compared to the Immediately Preceding Quarter's Results

The Group posted a lower revenue of RM0.71 million for the current quarter under review, a drop of RM1.55 million or 68.45%, against RM2.26 million in the preceding quarter. A much lower revenue is recorded due to delay of the supply of raw materials to the Group from its suppliers, as all application and renewal of licenses were put on hold, upon the change of a new Sabah State Government in September 2020.

The Group posted a pre-tax loss of RM1.44 million, RM0.13 million higher or 9.99%, as compared to the preceding quarter pre-tax loss of RM1.31 million. The higher pre-tax loss arises due to the final settlement of professional fees for the completion of Private Placement and Share Capital Reduction exercises.

2.3 Prospect for the Next Quarter

The Group will continue to focus on its timber business activities with concerted efforts to manage cost and production efficiency. A positive sign of improvement has shown in the supply chain as the new Sabah State Government is progressively processing and renewing the supplier licenses.

2.4 Variance of Actual Profit from Forecast Profit / Profit Guarantee

The disclosure requirements for explanatory notes on the variation of actual profit after tax and shortfall in profit guarantee are not applicable as no profit guarantee were given.

2.5 Taxation

No taxation was provided for the period as the subsidiaries of the Group have sufficient unutilized tax losses, unabsorbed capital allowances & reinvestment allowances to set off against any taxable profit.

2.6 Sale of Unquoted Investment and/or Properties.

There were no disposal of unquoted investment and/or properties during the period under review.

2.7 Purchases or Disposal of Quoted Securities

There were no purchases or disposals of quoted securities during the period under review.

2.8 Status of Corporate Proposals

- a) On 23 April 2019, the Board announced that NWP Holdings Berhad (“the Company” or “NWP”) entered into a Memorandum of Agreement (“MOA”) with Henan Dazhi Papermaking Equipment & Engineering Co., Ltd (“Henan Dazhi”) for the purpose to explore and set forth the current intention of both parties with respect to the proposed development and operations of pulp mill located at Sabah, Malaysia.

Pursuant to the MOA, Henan Dazhi shall provide a turnkey project to supply engineering, procurement, construction and commissioning of pulp mill (“EPCC Pulp and Paper Mill”) with annual production of up to 100,000 metric tons to be constructed in Sabah, Malaysia and transfer the technology and “know-how” to NWP to jointly undertake and provision of EPCC Pulp and Paper Mill subject to a due diligence review of costs and other relevant documentations.

There are no further progress at this juncture.

- b) On 23 April 2019, the Board announced that the Company had entered into a Memorandum of Agreement (“MOA”) with Henan Jianghe Paper Co., Ltd (“Henan Jianghe”) for the purpose to explore and set forth the current intention of both parties with respect to a potential purchase contract whereby Henan Jianghe would purchase as off-taker of the pulp from NWP.

Pursuant to the MOA, Henan Jianghe desires to purchase 100,000 metric tonnes of bleached hardwood pulp annually produced by NWP’s pulp mill to be constructed at Sabah, subject to the terms and conditions of the final purchase agreement. This MOA shall not constitute a binding obligation on the parties to enter into a Purchase Agreement. Neither party shall be finally bound to buy or sell Goods unless and until the Purchase Agreement is executed by the parties and delivered to each other.

There is no further progress at this juncture.

- c) On 11 April 2019, NWP proposed to undertake a private placement of new ordinary shares up to 10% of the total number of issued shares in the Company. Bursa Malaysia Securities Berhad (Bursa Securities) had vide its letter dated 23 April 2019, resolved to approve the listing and quotation of up to 39,424,000 new NWP shares (“Placement Shares”) to be issued pursuant to the Proposed Private Placement.

On 24 April 2019, the Board fixed the issue price for 39,225,300 Placement Shares at RM0.12 each. As at the date of this announcement, payment for 35,000,000 Placement Shares were received and the Board shall re-fix the issue price for the remaining 4,225,300 Placement Shares in due course.

2.8 Status of Corporate Proposals (cont'd)

- c) On 17 October 2019, NWP submitted application to Bursa Securities for an extension of time of 6 months (i.e. from 23 October 2019 until 22 April 2020) for NWP to complete the implementation of the Private Placement. Bursa Securities had vide its letter dated 24 October 2019 approved the extension of time until 22 April 2020 to complete the Private Placement.

On 7 November 2019, the Board fixed the issue price for final tranche 4,225,300 Placement Shares at RM0.09 each to raised gross proceed of RM380,277.00. The final tranche of Placement Shares was listed on Bursa Securities on 13 November 2019 hence the private placement exercise was deemed completed on the even date.

The status of utilization of proceeds raised from the abovementioned Placement Shares were as follows:

Details of Utilization	Estimated ⁽¹⁾ Proceeds from and Proposed Utilization of Private Placement	Actual ⁽²⁾ Proceeds from and Proposed Utilization of Private Placement	Estimated Timeframe of Utilization after completion	Utilization as at 31 August 2020
	RM'000	RM'000		RM'000
Performance bond payment to Borneo Resources	2,500	2,500	Within 6 months	2,500 (Fully utilized)
Staff costs and administrative expenses (working capital)	448	1,890	Within 6 months	1,890 (Fully utilized)
Expenses in relation to the Proposed Private Placement	190	190	Within 2 weeks	190 (Fully utilized)
Total	3,138	4,580		4,580

Note (1) : The estimated proceeds from and proposed utilization of Private Placement is based on minimum scenario of the Proposed Private Placement as the Outstanding SIS Options have been surrendered.

Note (2) : The actual proceeds are based on payment of 39,225,300 Placement Shares received.

- d) On 19 September 2019, the Board announced that the Board has accepted the offer to surrender the unexercised Share Issuance Scheme ("SIS") Options ("Outstanding SIS Options") from Mak Hon Leong. The Outstanding SIS Options were 1,987,000 SIS Option shares. The surrendered portion shall be included as part of ungranted options, the granting of which will be determined by the SIS Option Committee of the Company.
- e) On 16 December 2020, the Board announced that the Company has entered into a Memorandum of Understanding ("MOU") with Hoong Li Development Sdn Bhd ("HLSB") for the purpose of further negotiation on the terms of appointment of the Company and/or one of its wholly-owned subsidiary to provide a project management service to HLSB for a light industrial development on all the pieces of land in Seksyen 20, Mukim Serendah, Daerah Hulu Selangor, Selangor.
- f) On 18 December 2020, the Board announced that NWP Access Sdn Bhd, a wholly-owned subsidiary of the Company has entered into a Memorandum of Understanding ("MOU") with EZ One Bikers Sdn. Bhd. ("EZ One") for the purpose of exploring on the potential collaboration and/or acquisition of part or whole of EZ One.

2.9 Borrowings and Debt Securities

The Group's borrowings as at 31 August 2020 are as follow:

	Short term (RM' 000)	Long Term (RM' 000)	Total (RM'000)
Obligation under finance lease	34	61	95

2.10 Off Balance Sheet Financial Instruments

The Group has not entered into any forward foreign exchange control maturing within 6 months to hedge its trade transactions. The Group also has no off-balance sheet financial instrument exposure as at the date of this interim financial report.

2.11 Related Party Transactions

This relates to interest accrued to a company in which a director has a financial interest in it.

2.12 Material Litigation

a) NWP Holdings Berhad & NWP Builder ("Plaintiffs") -vs- Dato' Zhang Li ("First Defendant"); Dato Sri' The Chee Teong ("Second Defendant"); and Dato Sri' Kee Soon Ling ("Third Defendant")

On 20 June 2019, the Board announced that NWP together with its wholly owned subsidiary, NWP Builder Sdn Bhd (the "Plaintiffs") had served a Writ of Summons and Statement of Claim to Dato' Zhang Li (the "Defendant"). The Defendant was the previous Executive Director of NWP from 6 May 2016 to 12 February 2018. On 5 December 2019, both the Writ of Summons and Statement of Claim were amended to add Dato Sri' Teh Chee Teong as Second Defendant. Further on 6 March 2020, both the Writ of Summons and Statement of Claim were amended to add Dato Sri' Kee Soon Ling as Third Defendant. The Reamended Writ of Summons and Statement of Claim were served on the respective Defendants' Solicitors on 12/3/2020.

The Plaintiffs alleged that the Defendants owes a duty of loyalty and fidelity to the Plaintiffs which duty obliges the Defendants to act in good faith and in the best interest of Plaintiffs and the Defendants owe the Plaintiffs fiduciary duties and/or a general duty of care.

Further, the Defendants owed obligations under the Companies Act 1965 and/or 2016 and under common law and equity, including the duty to exercise reasonable care, to act honestly and use reasonable diligence in the discharge of duties.

The matter now fixed for further case management on 30 July 2020 at Kuala Lumpur High Court for pre-trial case management and fixed for trial on 26, 27 and 28 August 2020.

During the second day of the trial on 27 August 2020, the counsel for Dato' Zhang Li suffered a medical condition and applied to the Court for an adjournment of the trial. The Court adjourned the trial to be held from 1 March 2021 to 4 March 2021.

b) Dato' Zhang Li (Plaintiff) -vs- 1) NWP Holdings 2) Wong See Ming & 3) Dato Sri Kee Soon Ling (Defendants)

On 30 April 2019, Dato' Zhang Li ("ZL") served an amended Writ of Summons and Statement of Claim to NWP, Wong See Ming ("WSM") and Dato' Sri Kee Soon Ling ("KSL"). ZL was previous Executive Director of NWP from 6 May 2016 to 12 February 2018.

2.12 Material Litigation (cont'd)

b) Dato' Zhang Li (Plaintiff) -vs- 1) NWP Holdings 2) Wong See Ming & 3) Dato Sri Kee Soon Ling (Defendants) (cont'd)

ZL alleged that NWP has failed to pay 3 months Director's Fee in the sum of RM60,000. ZL further alleged that NWP, WSM and KSL had committed fraud against ZL by failing or refusing to pay ZL the said Director's Fee as the Director's Fee was approved by the Company's Board in the Company's Annual General Meeting. ZL is claiming for the sum of RM60,000.00 being her director's fees, general damages, exemplary damages in the sum of RM2,000,000.00 and/or to be assessed, an order for this suit to be announced with Bursa Securities Kuala Lumpur, interest at 5% per annum from date of judgment until full settlement and costs.

On 18.5.2020, NWP has filed their defense and counter-claim denying ZL's claim and counter-claiming against ZL for the sum of RM360,000-00 being director's fee wrongfully paid to ZL from 1.8.2016 to 27.11.2017

KSL has filed an application to strike out ZL's claim and the said application for striking out is fixed for hearing on 28.9.2020.

On 12 October 2020, the Company has entered into Consent Judgment with ZL agreeing to pay to ZL's solicitors as stakeholder the sum of RM60,000.00 and costs in the sum of RM18,000.00 pending the Company taking steps to regularize of the Company internal affairs by securing all necessary and/or required approval for purpose of remunerating ZL of her director's fees before 31.12.2020. In the event the Company failed to take step to regularize of the Company internal affairs by securing all necessary and/or required approval for purpose of remunerating ZL of her director's fees before 31.12.2020, ZL may apply to Court for judgement to be entered. Both ZL's action and the Company's counter claim are withdrawn with no liberty to file afresh upon payment of RM60,000.00 and costs of RM18,000.00 to ZL's solicitors.

On 17 December 2020, a resolution was passed in the Extraordinary General Meeting to seek the shareholders' approval for the proposed ratification of the payment of additional Director's fee of totaling RM60,000.00 and the poll results were declared as carried.

c) NWP Builder Sdn Bhd -vs- Listari Marina

On 7 November 2016, the Board announced that a Turnkey Construction Agreement ("TCA") has been entered into between Listari Marina (MM2H) Sdn Bhd ("LMSB") and NWP Builder Sdn Bhd ("NWPBu") for a total contract sum of RM22 million for the construction of 9-storey tower block with 160 units of service suites on HS(D) 70398 PT 497 Pekan Klebang, Sek 11, Daerah Melaka Tengah, Melaka.

Despite sufficient time was given to LMSB to hand over the project site to NWPBu in order for NWPBu to perform its role as Turnkey Contractor, LMSB has continuously failed, neglected and/or unfulfilled its obligation.

Due to alleged failure and breach of TCA by LMSB, NWPBu is seeking refund of Advance (RM6.5 million) made under TCA. NWPBu had served a sealed Writ of Summons together with Statement of Claim both dated 5 November 2018, through its solicitors, Messrs. Weng Seng & Co, on LMSB. This event was announced to Bursa on 7 November 2018.

On 18 December 2018, the Board announced that NWPBu had received Statement of Defense and Counter-Claim from LMSB. The Company has given instruction to its solicitor to in no uncertain terms to enforce NWPBu's right to the fullest extent claiming the refund of Advance and also vigorously defend the said Counter-Claim.

2.12 Material Litigation (cont'd)

c) NWP Builder Sdn Bhd -vs- Listari Marina (cont'd)

On 18 September 2019, judgment was entered against LMSB ordering that the TCA is terminated by LMSB, LMSB to pay RM6.5 million to NWPBu within 14 days from date of Order, LMSB to pay to NWPBu interest at rate of 5% p.a. on the sum of RM6.5 million from 27 March 2018 to full settlement, costs in the sum of RM5,000-00 and LMSB's counter-claim is struck off.

On 25 October 2019, LMSB filed an application at the Kuala Lumpur High Court applying to set aside the judgment entered on 18 September 2019. The matter is now fixed for further hearing on 3 August 2020.

On 3 August 2020, by a consent order was entered at the Kuala Lumpur High Court, in relation to the original Judgment dated 18 September 2019 entered against the Defendant be amended as follows:-

- (1) *LMSB to serve NWPBu with a notice of arbitration relating to the counter-claim on or before 10 August 2020;*
- (2) *A stay of execution in relation to the original Judgment, inter alia, the sum of RM6.5 awarded to NWPBu and termination of the Turnkey Construction Agreement under the original Judgment including winding-up proceeding until disposal of the arbitration;*
- (3) *NWPBu is given the liberty to apply for security to be provided during the arbitration;*
- (4) *Costs in cause at the arbitration; and*
- (5) *In the event LMSB failed to provide the notice as stated under the condition in Paragraph (1) above, then the original Judgment will automatically be reinstated.*

On 7 August 2020, LMSB served the Notice of Arbitration to NWPBu. The claim contained in the said Notice of Arbitration is essentially LMSB counter-claim on the said KL High Court suit. LMSB is claiming against NWPBu for a sum of RM15,632,784.88 being alleged damages and losses suffered by LMSB due to LMSB allegation that NWPBu's failure, refusal and/or neglect to commence and perform the work pursuant to the Turnkey Contract and Supplementary Agreement.

The Company has sought legal opinion and shall vigorously defend the meritless claim filed by LMSB against NWPBu. The case is still pending for further direction from Asian International Arbitration Centre ("AIAC") pertaining to the Arbitration.

LMSB has not pay the judgment sum for the judgment entered against LMSB on 18 September 2019 as stated in paragraph (c) above. On 15.11.2019, NWPBu has filed a Winding-Up Petition against LMSB at the Kuala Lumpur High Court for LMSB's disability to settle the said judgment sum. The Winding-Up Petition was advertised on newspaper on 30 January 2020 and 31 January 2020. The Winding-Up Petition was published in the Government Gazette on 16 January 2020. In view of the stay of execution of the Judgement dated 18 September 2019 stated above, the winding-up petition was withdrawn with liberty to file afresh.

d) NWP Builder Sdn Bhd -vs- Ismail Bin Hassan

On 14 October 2016, the Board announced that a wholly owned subsidiary of the Company, NWPBu, had entered into a conditional Sale of Shares Agreement ("SSA") with Dato' Ismail Bin Hassan ("Dato' Ismail" or "the seller") to acquire 300 common shares representing 30% equity interest in Aviation A.I. Inc. for a cash consideration of USD1,500,000.

With reference to the announcements made on 13 January 2017, 27 November 2017 and 26 January 2018 in relation to the above, NWPBu and Dato' Ismail have mutually agreed to extend the Conditional Period for the SSA to 13 April 2017, 31 December 2017 and 31 March 2018 respectively.

On 2 April 2018, NWPBu had via a letter informed Dato' Ismail that the Company will terminate the SSA due to non-fulfillment of conditions precedent by Dato' Ismail. The event was subsequently announced to Bursa on 16 April 2018.

2.12 Material Litigation (cont'd)

d) NWP Builder Sdn Bhd -vs- Ismail Bin Hassan (cont'd)

Due to Dato' Ismail failure to return and refund the Sum Paid (RM4.1 million) made under the SSA to NWPBu, NWPBu has commenced arbitration proceeding against Dato' Ismail at AIAC to recover the Sum Paid.

The matter is pending the appointment of an arbitrator by the Director of the AIAC to proceed further on the matter.

e) NWPBu (Plaintiff) -vs- Dino Express Sdn Bhd (Defendant)

Pursuant to a sale and purchase agreement dated 25 August 2018 entered between NWPBu and Dino Express Sdn Bhd ("Dino") for the sale and purchase of a yacht known as Caracholja make Sanlorenzo Model SL62 Year 2006 Registration number SPZ600018 engine Man D 2842 from NWPBu at the price of RM1,443,065 by 5 instalments. As at 12 June 2019, Dino has paid the sum of RM1,260,000 toward the purchase price. The balance sum of RM183,065 was due on 4 February 2019 and 12 June 2019 respectively. However Dino has failed to settle the balance sum of RM183,065.

On 12 March 2020, NWPBu filed a legal action at the Kuala Lumpur Sessions Court against Dino to repossess the said yacht and forfeit all the payment made by Dino towards the purchase price as provided under the sale and purchase agreement dated 26 August 2018.

The Writ of Summons was sealed and extracted by NWPBu's solicitors from the Kuala Lumpur Sessions Court on 18 March 2020.

On 8 July 2020, Dino has filed an application to strike out the claim.

On 30 September 2020, the Company withdraw the action.

f) Kee Soon Ling (Plaintiff) -vs- Wong See Ming; Tan Shiah Huei; Goh Shaw Koon @ Goh Mei Ling; Yew Onn Chong; Mak Hon Leong; and NWP Holdings (Defendants) - Originating Summons Received From Dato' Sri Kee Soon Ling

On 3 March 2020, KSL has filed an Originating Summons against NWP and the directors of NWP praying for an Order, inter alia, that an Extra Ordinary General Meeting ("EGM") be convene by NWP at NWP's costs and expense to appoint an Independent Investigating Accountant.

NWP had on 15 May 2020 filed an affidavit in reply denying KSL's rights to convene an EGM as he does not fulfill the requisite 10 % shareholding to convene an EGM under the Companies Act 2016 and the Article of Association of NWP.

On 25 September 2020, KSL withdraw his action.

f) NWP Holding (NWP) -vs- Tan Su Haw and Chew Kah Eng (Defendants)

On 14 February 2020, NWP received a Notice of Requisition from Tan Su Haw and Chew Kah Eng (collectively as "Defendants") requested an Extraordinary General Meeting ("EGM") to be convened by the Company pursuant to Section 311 of the Companies Act 2016.

2.12 Material Litigation (cont'd)

f) NWP Holding (NWP) –vs- Tan Su Haw and Chew Kah Eng (Defendants) (cont'd)

The Board of Directors of NWP had sought legal advice and wishes to announce that the Company had on 11 March 2020 vide its solicitors, Messrs David Lai & Tan filed the Writ and Statement of Claim (“Suit”) against the Defendants where the Company is seeking the following reliefs:

- (1) A declaration that the requisition for EGM scheduled for 16 March 2020 or any adjourned date through the notice of requisition dated 14 February 2020 is mala fide and not in good faith;
- (2) A declaration that the requisition for EGM scheduled for 16 March 2020 or any adjourned date is an abuse of process under Section 310(b) of the Companies Act 2016;
- (3) Consequential to the declaration sought:
 - i) An order that the EGM scheduled for 16 March 2020 or any adjourned date through the notice of requisition dated 14 February 2020 by the Defendants be cancelled;
 - ii) Or in the alternative, an order that the EGM scheduled for 16 March 2020 or any adjourned date through the notice of requisition dated 14 February 2020 by the Defendants be adjourned sine die without any of the proposed resolutions sought therein being put for consideration by the shareholders of the Company; and
 - iii) In the event that the EGM through the notice of requisition dated 14 February by the Defendants had been held, all the resolutions passed therein shall be invalid and not binding on the Company.
- (4) Damages;
- (5) Costs be borne by the Defendants; and
- (6) Any further and other relief which the Honourable Court deems fit and proper to be granted.

The Suit was fixed for case management on 25 March 2020.

On 3 April 2020, the Defendants had entered their appearance and further filed their Defense on 28 April 2020.

NWP had also filed their Reply to Defense on 11 June 2020.

On 19 June 2020, the Defendants had filed an application to strike out the Suit based on among others, the ground that the Company’s claim had no valid cause of action, frivolous, vexatious and an abuse of Court process (“Striking-Out Application”). NWP had on 14 July 2020 filed its affidavit in opposition of the Striking-Out Application.

The hearing for the Striking-Out Application and the case management for the Suit are both fixed on 19 August 2020.

The Court had on 13 August 2020 order the Company to cease all actions against the Defendants without liberty to file again and without any order against cost.

i) NWP Holdings Berhad –vs- Dato Sri’ Kee Soon Ling

On 13 March 2020, NWP has filed a suit against KSL for a sum of RM340,000.00 being refund of Director’s fees received by him from 1.8.2016 to 31.10.2017 without members’ approval by a cheque issued from KSL to NWP. However the cheque has expired and despite demand made to replace the expired cheque, KSL has failed to replace the cheque.

KSL filed his defense denying the right of NWP to the sum of RM340,000-00 and counterclaim against NWP for the sum of RM1,369,523.29 which KSL alleged is a loan given to NWP.

NWP has filed a summary judgment application for the sum of RM340,000.00 and the said summary judgment application is fixed for hearing on 22 July 2020.

2.12 Material Litigation (cont'd)

i) NWP Holdings Berhad -vs- Dato Sri' Kee Soon Ling (cont')

On 13 August 2020, the learned judge, Tuan Rushan Lutfi Bin Mohammad had allowed NWP's application for summary judgement against KSL for the refund of the director's remuneration with costs of RM3,000.00 to be paid by NWP. KSL has filed his appeal at the Kuala Lumpur High Court.

On 1 December 2020, the Company withdrawn the action.

2.13 Dividend

No dividend has been recommended during the period under review.

2.14 Loss per Share

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Period 01/09/2020 to 30/11/2020	Corresponding Period 01/09/2019 to 30/11/2019	Current Period 01/09/2019 to 30/11/2020	Corresponding Period 01/09/2018 to 30/11/2019
a) Basic loss per share				
Net loss for the period (RM'000) after tax attributable to equity holder of the parent.	(1,442)	N/A	(6,466)	N/A
Weighted average number of ordinary shares issued ('000)	430,802	N/A	430,802	N/A
Basic loss per share (sen)	(0.33)	N/A	(1.50)	N/A
b) Diluted loss per share	N/A	N/A	N/A	N/A

The earnings per share are calculated based on weighted average number of ordinary shares stated above.

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