

X. DIRECTORS' REPORT

(Prepared for inclusion in this Prospectus)



NTPM HOLDINGS BERHAD (384662-U)

886, Jalan Bandar Baru, Sungai Kecil,
14300 Nibong Tebal, Pulau Pinang, Malaysia
Tel: 04-5931296 Fax: 04-5933373

Registered Office:

Suite 18.05, MWE Plaza
No. 8, Lebuhr Farquhar
10200 Pulau Pinang

11 March 2003

The Shareholders,
NTPM Holdings Berhad

Dear Sir/Madam

On behalf of the Directors of NTPM Holdings Berhad ("NTHB"), I report after due inquiry that during the period from 30 September 2002 (being the date to which the last audited financial statements of NTHB and its subsidiaries ("NTHB Group") have been made up to 7 March 2003 (being a date not earlier than fourteen days before the issue of this Prospectus):

- (a) the business of NTHB Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited financial statements of NTHB Group, which have materially and adversely affected the trading or the value of the assets of the NTHB Group;
- (c) the current assets of NTHB 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 or indemnities given by the NTHB Group; and
- (e) there have been no changes in published reserves nor any unusual factors affecting the profits of NTHB Group

There is no report required pursuant to the aforementioned statements.

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

A handwritten signature in black ink, appearing to read 'Lee See Jin'.

Lee See Jin
Managing Director

XI. VALUATION CERTIFICATES

(Prepared for inclusion in this Prospectus)



HENRY BUTCHER,
Lim & Long (N) Sdn. Bhd. (177498-P)

142-M, Jalan Burma, 10050 Penang, Malaysia.
Tel: 04-229 8999 Fax: 04-229 8666
E-mail: hbpenang@tm.net.my
web-site: www.henrybutchermalaysia.com

INTERNATIONAL ASSET CONSULTANTS

11 March 2003

The Board of Directors
NTPM Holdings Berhad
Suite 18.05, MWE Plaza
No. 8, Lebuhr Farquhar
10200 Pulau Pinang

Dear Sirs,

**VALUATION OF PROPERTIES BELONGING TO NTPM HOLDINGS BERHAD ("NTHB")
AND ITS SUBSIDIARIES ("NTHB GROUP")**

This Certificate has been prepared for inclusion in the Prospectus of NTHB to be dated 17 March 2003 in connection with the offer for sale of 242,980,000 ordinary shares of RM0.10 each in NTHB to the Bumiputera investors approved by the Ministry of International Trade and Industry, eligible employees of NTHB Group and Malaysian public at an offer price of RM0.50 per share and the listing of and quotation for the entire issued and paid-up share capital of NTHB on the Main Board of the Kuala Lumpur Stock Exchange.

In accordance with your instructions, we have assessed the Market Value of the landed properties set out below in conjunction with the restructuring and subsequent listing of NTHB on the Main Board of the Kuala Lumpur Stock Exchange. The details of the aforesaid valuation are set out in our valuation reports dated 19 September 2001.

The inspection of the properties was carried out at the respective dates (please refer to the following schedule) for the purpose, as the case may be, of ascertaining the nature of the general location, access, topography and building improvements.

The valuation reports dated 19 September 2001 have been prepared based on the Guidelines on Assets Valuations for Submission to the Securities Commission issued by the Securities Commission and the Manual of Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents and other recognised professional bodies. The basis of valuation for the purpose of the valuation report, is on MARKET VALUE as defined in the MALAYSIAN VALUATION STANDARDS: STANDARD 1 – Market Value Basis of Valuation.

THE INTERNATIONAL NETWORK

* Kuala Lumpur * Penang * Butterworth * Kedah * Johore * Malacca * Sabah * Sarawak * London * Manchester * Birmingham * Leeds * Bristol
* Cardiff * Edinburgh * Glasgow * Aberdeen * Dublin * Belfast * Leicester * Harnbury * Paris * Milan * Manila * Hong Kong * Singapore * Thailand
* Korea * Japan * Tel Aviv * Sao Paulo * Illinois * St. Louis * Madrid * Southampton * Associates throughout Europe, Australasia, North and South America.

XI. VALUATION CERTIFICATES (Cont'd)



We have valued the properties listed below in their existing use and with title free from all legal encumbrances, using the comparison and depreciated replacement cost method of valuation, where applicable and are of the opinion that the market value of these properties are as follows:

Ref. No.	Property	Registered owner	Description	Methods of valuation	Market value RM 000	Date of valuation and inspection
<i>Properties held for owner occupation</i>						
V/PG/Y1 2369(E)	Lot 1000, Grant No. 35375 and Lot 999, G. M. 514, Mukim 8, Seberang Perai Selatan, Pulau Pinang	Nibong Tebal Paper Mill Sdn Bhd	Paper mill and tissue manufacturing factory with a gross built-up area of approximately 28,617 sq. m. The factory is located at No. 886, Jalan Bandar Baru, Sungai Kechil, 14300 Nibong Tebal, Pulau Pinang	Comparison/ depreciated replacement cost	18,100	19 September 2001
V/PG/Y1 2369(D)	Lot 109, G. M. 372, I. R. 608, Lot 609, G. M. 594, I. R. 610, Lot 631, G. M. 107, I. R. 801, I. R. 804, Lot 808, G. M. 598, Lot 810, G. M. 285, Lot 811, G. M. 286, Lot 957, G. M. 501, Lot 958, G. M. 502 & Lot 959, G. M. 503, Mukim 8, Seberang Perai Selatan, Pulau Pinang	Nibong Tebal Paper Mill Sdn Bhd	The existing industrial land is vacant other than the two (2) buildings namely a newly completed warehouse/store, a workshop building and also a waste water treatment plant built on Lot 608. Part of Lot 631 is utilised as open storage yard for waste paper	Comparison/ depreciated replacement cost	14,840	19 September 2001
					<u>32,940</u>	
<i>Properties held for future development</i>						
V/PG/Y1 2369(F)	Lot 642, Grant No. 2263, Mukim 8, Seberang Perai Selatan, Pulau Pinang	Nibong Tebal Paper Mill Sdn Bhd	A parcel of agricultural land	Comparison	670	19 September 2001
V/PG/Y1 2369(C)	P. T. No. 385, H. S. (D) 2279, Mukim 13, Seberang Perai Tengah, Pulau Pinang	Jia In Sdn Bhd	Vacant industrial land	Comparison	640	19 September 2001
V/PG/Y1 2369(B)	Lot 442, Grant No. 32492 & Lot 443, G. M. 478, Mukim 7 and Lot 794, G. M. 277, Mukim 8, Seberang Perai Selatan, Pulau Pinang	Nibong Tebal Paper Mill Sdn Bhd	Vacant agricultural land	Comparison	3,005	19 September 2001
					<u>4,315</u>	
<i>Property held for investment</i>						
V/PG/Y1 2369(A)	Lot No. 5787, Pajakan Negeri No. 41687, Mukim of Parit Buntar, District of Krian, Perak Darul Ridzuan	Nibong Tebal Paper Mill Sdn Bhd	A factory complex with a gross built-up area of approximately 3,100 sq. m. located at P. T. No. 139, Kawasan Perusahaan Parit Buntar, Perak Darul Ridzuan This factory is rented to Priority Plus Sdn Bhd.	Comparison/ depreciated replacement cost	1,840	19 September 2001
Total Market Value					<u><u>39,095</u></u>	

XI. VALUATION CERTIFICATES (Cont'd)



Notes:

G. M. Grant Mukim
I. R. Interim Register

We certify that in our opinion the total market value for the existing use of the above properties belonging to NTHB Group using the valuation methods stated above amounts to RM39,095,000 (Ringgit Malaysia: THIRTY NINE MILLION NINETY FIVE THOUSAND ONLY)

Yours faithfully
for and on behalf of
HENRY BUTCHER, LIM & LONG (N) SDN BHD

Teoh Poh Huat
FRICS, MISM, MBA (UK)
Chartered Surveyor/Registered Valuer
Registration No V-296

XI. VALUATION CERTIFICATES (Cont'd)*(Prepared for inclusion in this Prospectus)***HENRY BUTCHER,****Lim & Long (Malacca) Sdn. Bhd.** (Company No. 246114-T)335-A, Taman Melaka Raya, 75000 Melaka.
Tel: 06-2812188 Fax: 06-2812189**INTERNATIONAL REAL ESTATE AND PLANT & MACHINERY
CONSULTANTS, VALUERS, AUCTIONEERS, AGENTS,
PROJECT AND PROPERTY MANAGER**

11 March 2003

The Board of Directors
NTPM Holdings Berhad
Suite 18.05, MWE Plaza
No. 8, Lebuhr Farquhar
10200 Pulau Pinang

Dear Sirs,

**VALUATION OF PROPERTIES BELONGING TO NTPM HOLDINGS BERHAD ("NTHB")
AND ITS SUBSIDIARIES ("NTHB GROUP")**

This Certificate has been prepared for inclusion in the Prospectus of NTHB to be dated 17 March 2003 in connection with the offer for sale of 242,980,000 ordinary shares of RM0.10 each in NTHB to the Bumiputera investors approved by the Ministry of International Trade and Industry, eligible employees of NTHB Group and Malaysian public at an offer price of RM0.50 per share and the listing of and quotation for the entire issued and paid-up share capital of NTHB on the Main Board of the Kuala Lumpur Stock Exchange.

In accordance with your instructions, we have assessed the Market Value of the landed property set out below in conjunction with the restructuring and subsequent listing of NTHB on the Main Board of the Kuala Lumpur Stock Exchange. The details of the aforesaid valuation are set out in our valuation report dated 19 September 2001.

The inspection of the property was carried out at the respective dates (please refer to the following schedule) for the purpose, as the case may be, of ascertaining the nature of the general location, access, topography and building improvements.

The valuation report dated 19 September 2001 have been prepared based on the Guidelines on Assets Valuations for Submission to the Securities Commission issued by the Securities Commission and the Manual of Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents and other recognised professional bodies. The basis of valuation for the purpose of the valuation report, is on MARKET VALUE as defined in the MALAYSIAN VALUATION STANDARDS: STANDARD 1 - Market Value Basis of Valuation.

We have valued the property listed below in their existing use and with title free from all legal encumbrances, using the comparison method of valuation, where applicable and are of the opinion that the market value of these property are as follows:

Ref. No.	Property	Registered owner	Description	Method of valuation	Market value RM 000	Date of valuation and inspection
M/V01/300/C	P. T. No.1582, H. S. (D) 27334, Mukim of Krubong, District of Melaka Tengah, Melaka	Nibong Tebal Paper Mill Sdn Bhd	Vacant industrial land	Comparison	223	19 September 2001

THE INTERNATIONAL NETWORK

- Hong Kong • Singapore • Manila • London • Birmingham • Leeds • Bristol • Cardiff • Edinburgh • Glasgow • Aberdeen
- Dublin • Belfast • Leicester • Southampton • Warsaw • Associates throughout Europe Australasia, North and South America

XI. VALUATION CERTIFICATES (Cont'd)



We certify that in our opinion the total market value for the existing use of the above property belonging to NTHB Group using the valuation methods stated above amounts to RM223,000 (Ringgit Malaysia: TWO HUNDRED AND TWENTY THREE THOUSAND)

Yours faithfully
for and on behalf of
HENRY BUTCHER, LIM & LONG (MALACCA) SDN BHD

Lim Chow Wah
MISM
Registered Valuer
Registration No V-332

XII. STATUTORY AND OTHER GENERAL INFORMATION

1. SHARE CAPITAL

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. There is only one class of shares in the Company, namely, ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- (iii) Save as disclosed in Sections V(5) & V(6) of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of the Company and its subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) years preceding from the date hereof.
- (iv) Save for the Offer Shares reserved for the eligible employees of NTHB Group as disclosed in Section III(5) of this Prospectus, no person or Director or employee of the Group has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries.
- (v) Save for the Offer Shares reserved for the eligible employees of NTHB Group as disclosed in Section III(5) of this Prospectus, there is currently no other scheme for or involving the Directors and employees in the share capital of the Company or its subsidiaries.
- (vi) As at the date hereof, the Company does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

2. ARTICLES OF ASSOCIATION

(i) *Transfer of Shares*

The provisions in the Company's Articles of Association, the Listing Requirements of KLSE, the Companies Act, 1965 and the Rules of the MCD in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:

Articles of Association

Article 42 – Transfer of securities

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of deposited security), shares in the Company which have been deposited with the Central Depository shall be transferable but every transfer shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding sections 103 and 104 of the Act, but subject to sub-section 107C(2) of the Act and any exemption that may be made from the compliance with sub-section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 43 – Form of transfer

The transfer of any listed securities or class of listed securities of the Company shall be effected in accordance with the Act, the Central Depositories Act and the Rules and for such deposited securities, these Articles shall not be applicable to the extent that they are inconsistent with the relevant provisions of the Act, the Central Depositories Act and the Rules. Subject to the Act, the Central Depositories Act and the Rules and these Articles, any member may transfer all or any of his securities in such manner or form as may from time to time be approved by the Exchange.

Article 44 – Refusal to register

The Central Depository may in its absolute discretion refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.

Article 45 – Suspension of transfer

The Company may at the Directors' discretion require the Central Depository to suspend the registration of transfer at such times and for such periods as the Directors may from time to time determine, not exceeding in the whole thirty (30) days in any calendar year. At least twelve (12) Market Days' notice of such closure shall be given to the Exchange stating the period and the purpose of such closure. In this respect, the Company shall give notice in accordance with the Rules to the Central Depository to enable the Central Depository to prepare the appropriate Records of Depositors.

Article 46 – No Restriction on fully paid securities

There shall be no restriction on the transfer of fully paid securities except where required by law.

Article 48 – Restriction on transfer

No share shall be transferred to any persons except in accordance with the Rules.

Listing Requirements

Clause 7.13 - Transfer of securities

The transfer of any listed securities or class of listed securities of a company, shall be by way of book entry by the Central Depository in accordance with the rules of the Central Depository and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act, and any exemption that may be made from compliance with subsection 107C(1) of the Act, the company shall be precluded from registering and effecting any transfer of the listed securities.

Clause 7.14 - Transmission of securities from Foreign Register

- (1) Where –
- (a) the securities of a company are listed on an Approved Market Place; and

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (b) such company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act, 1991 or section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of such securities:

- (2) For the avoidance of doubt, no company which fulfils the requirements of paragraphs (1)(a) and (b) above shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

Companies Act, 1965

Section 103(1)

Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

Section 103(1A)

Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for that purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the title of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.

Section 107C(1)

On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities or class of securities which have been deposited.

Section 107C(2)

Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Rules of the MCD

The rules of the MCD on the transferability of securities are as follows:

Rule 8.01(2) – Rejection of transfer

The Central Depository may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reason stipulated under Rule 8.03(1)(c).

Rule 8.05(A) – Transfer from the principal or nominee account

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this chapter.

Rule 9.03(2) – Documents to lodge

It shall be the responsibility of the authorised depository agent, in processing the transfer between the two securities accounts belonging to different depositors (hereinafter the transfer is referred to as "the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows:

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FT015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion of the said form duly witnessed by any other person (other than the Depositor's spouse);
- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
 - (i) transmission and transfer of securities arising from the provisions of any written law or an order of the court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code on Take-overs and Mergers 1987;
 - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer;
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(ii) Remuneration of Directors

The provisions in the Company's Articles of Association dealing with the remuneration of the directors are as follows:

Article 116 – Directors' remuneration

The fees of the Directors shall from time to time be determined by the Company in General Meeting but the other remuneration of the executive Directors shall from time to time be determined by the Board of Directors. The fees payable to the Directors shall not be increased except pursuant to a resolution passed at the General Meeting when notice of the proposed increase has been given in the notice convening the meeting. The fees payable to non-executive Directors' shall be a fixed sum and not by a commission on or percentage of profits or turnover and the remuneration payable to executive Directors may not include a commission on or percentage of turnover. Any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

Article 117 - Expenses

The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company.

Article 118 – Special remuneration

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:

- (1) render any special or extra services to the Company; or
- (2) to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

Article 147 – Managing Director's remuneration

- (1) A managing director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission, or participation in profits or partly in one way and partly in another) as the Directors may determine but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

(iii) Voting and Borrowing Powers of Directors

The provisions in the Company's Articles of Association dealing with voting powers of the Directors in proposals, arrangements or contracts in which they are interested and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 130 – Directors' borrowing powers

The Directors may exercise all the powers of the Company to borrow any sum or sums of money from any person, bank, firm or company and to mortgage or charge its undertaking, property and uncalled capital, and any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its wholly owned subsidiaries or of any related corporation. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for the payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or of any subsidiary corporation.

Article 131 – Restrictions on borrowing

The Directors shall not borrow any money or mortgage or charge any of the Company's or its Subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 149 – Right to regulate proceedings

Subject to these Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall (subject to Article 152) not have a second or casting vote.

Article 150 – Quorum at Directors' meeting

The quorum for the transaction of the business of the Directors or of a committee of Directors may be fixed by the Directors or the members of the committee (as the case may be) and unless so fixed at any other number shall be two (2). A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.

Article 151 – Chairman of Directors' meeting

The Directors may appoint one of their numbers to be Chairman of the board of Directors. In a Directors' meeting, the Directors shall appoint one of their numbers present to preside as Chairman of the meeting. The Chairman of the meeting need not to be the Chairman of the Board of Directors. Neither the Chairman of the Board of Directors nor the Chairman of a Directors' meeting shall have a casting vote.

Article 152 – Where no casting vote

When two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 156 – Disqualification from voting

Except as otherwise provided by these Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning any contract, proposed contract, arrangement or other matter in which he has, directly or indirectly, a personal interest unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

- (1) any arrangement for giving him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its Subsidiaries;
- (2) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its Subsidiaries for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security.

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

Article 157 – Separation of resolutions

Where proposals are under consideration concerning or relating to the terms of employment, consultancy or other services of or to be provided by Directors to or with the Company or any body corporate in which the Company is interested or other related matters, the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own.

Article 158 – Questions on right to vote

If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

(iv) Changes in Capital and Variation of Class Rights

The provisions in the Company's Articles of Association as to changes in capital and variation of class rights, which are as stringent as those required by law, are as follows:

Article 11 – Variation of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:

- (1) the consent in writing of the holders of three-fourths of the issued shares of that class; or
- (2) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.

Article 12 – No deemed variation

Subject to Section 65 of the Act, the rights attached to any class shall not (unless otherwise provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking in any respect *pari passu* with that class.

Article 13 – Issue of securities

Subject to the Act and these Articles, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may offer, issue, allot (with or without conferring a right of renunciation), grant options over, grant any right or rights to subscribe for such shares or any right or rights to convert any security into such shares, or otherwise deal with or dispose of them to such persons at such times and on such terms and conditions as they may determine.

Article 14 – Restrictions on issue

Subject to the following provisions:

- (1) the Company shall not offer, issue, allot, grant options over shares, grant any rights or rights to subscribe for shares or any right or rights to convert any security into shares without the prior approval of the Members in general meeting;
- (2) no Director shall participate in an issue of shares to employees unless:
 - (a) the Members in general meeting have approved the specific allotment to such Director; and
 - (b) such Director holds office in any executive capacity.
- (3) no shares shall be issued at a discount except in accordance with Section 59 of the Act;
- (4) the total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time;
- (5) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating them.

Article 15 – Rights attached to shares

Subject to the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or as the Directors (subject to being duly authorised to do so by an ordinary resolution of the Company) may determine provided that where the capital of the Company consists of shares of different monetary denominations, voting rights shall be determined in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 27 – Repayment of preference capital

The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 71 – Consolidation, division and cancellation

The Company may by ordinary resolution:

- (1) consolidate and divide all or any of its share capital into shares of larger amount;
- (2) (subject to Section 62(1) of the Act) subdivide its existing shares or any of them into shares of smaller amount;
- (3) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 74 – Reduction of capital

The Company may by special resolution reduce its share capital and any capital redemption reserve or share premium account in any manner authorised by law.

Article 75 – Resolution to increase capital

Without prejudice to the rights attached to any existing shares or class of shares, the Company in general meeting may by ordinary resolution increase its capital by the creation of shares of such nominal amounts, and carrying such rights and restrictions, as the resolution specifies.

Article 76 – Application of provisions to new shares

All new shares shall be subject to the same provisions as to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the existing share capital.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors are set out in Section I of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) None of the Directors or Senior Management of the Company has any existing or proposed service agreements with the Company or any of its subsidiaries.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (iv) The aggregate remuneration paid and proposed to be paid to the Directors of the Company for services rendered to the Company and its subsidiaries in all capacities for the financial year ended 30 April 2002 and the financial year ending 30 April 2003 are as follows:

Remuneration band RM	Year ended 30.04.2002		Year ending 30.04.2003	
	Aggregate remuneration RM 000	No. of Directors	Aggregate remuneration RM 000	No. of Directors
Below 50,000	30,000	3	30,000	3
100,000 – 150,000	130,000	1	130,000	1
150,000 – 200,000	198,160	1	180,000	1
200,001 – 1,250,000	1,248,010	1	900,000	1

- (v) None of the Directors, or senior management (as named herein) is or has been involved in any of the following events (whether in or outside Malaysia):
- a petition under any bankruptcy or insolvency laws which was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or Senior Management personnel;
 - conviction in a criminal proceedings or is a named subject of a pending criminal proceeding; and
 - the subject of any order, judgement or ruling of any court of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
- (vi) Save as disclosed elsewhere in the Prospectus, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as that of NTHB Group.
- (vii) Save as disclosed below and elsewhere in the Prospectus, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed or proposed to be disposed or leased to or proposed to be leased to the Company or its subsidiaries within the two (2) years preceding the date of this Prospectus:
- Lee Eng Sia, an existing Substantial Shareholder of NTHB is also a director and major shareholder of Priority Plus Sdn Bhd (“Priority”). NTHB Group also has a rental arrangement with Priority for one of its properties with a monthly rental payment amounting to RM14,000 per month pursuant to the tenancy agreement dated 1 December 1999 between NTPM and Priority for the factory building bearing the address Lot 139, Kawasan Perindustrian Simpang Lima, 34200 Parit Buntar, Perak. The tenancy agreement is for a period of three (3) years from 1 December 1999 to 30 November 2002.
 - Priority purchased from NTPM plant & equipment on August 2001 for a total cash consideration of RM19,261. The plant & equipment were originally purchased by NTPM in 1999 for RM27,516.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (viii) Save as disclosed elsewhere in the Prospectus, none of the Directors or Substantial Shareholders has any interest in any contract or arrangement which is significant in relation to the business of the Company and its subsidiaries subsisting at the date of this Prospectus.
- (ix) No option to subscribe for securities of the Company or any of its subsidiaries was granted to or exercised by any Director during the five (5) month financial period ended 30 September 2002.

4. PROMOTERS

Save and except for the dividends payable to the Promoters as shareholders of the Company and the remuneration payable to the Promoters as Directors of the Company and as detailed in Section XII(3) (all of which is disclosed in this Prospectus), no other amounts or benefits are paid or intended to be paid or given to any promoter within two (2) years preceding the date of this Prospectus.

5. GENERAL

- (i) The nature of NTHB's business has been disclosed in Sections V and VI of this Prospectus. Other than mentioned in Section VI of this Prospectus, there is no corporation which is deemed to be related to NTHB by virtue of Section 6 of the Act.
- (ii) Save as disclosed in Section V of this Prospectus, the Company has not established any other place of business outside Malaysia.
- (iii) The last date and time of the opening of the Application Lists of the Offer for Sale is set out in Section III(3) of this Prospectus.
- (iv) The amount payable in full on application is RM0.50 per Offer Share.
- (v) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section XIII of this Prospectus.
- (vi) Save as disclosed in this Prospectus, the financial conditions and operations of NTHB and its subsidiaries are not affected by any of the following:
 - (a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the NTHB Group's liquidity increasing or decreasing in any material way;
 - (b) Material commitments for capital expenditure;
 - (c) Unusual or infrequent events or transaction or any significant economic changes that materially affect the amount of reported income from operations; and
 - (d) Known trends or uncertainties that have had or that the NTHB Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.

As far as the Directors are aware, the Group is not vulnerable to any specific factors or events of a particular nature other than those normal commercial risks experienced during the normal course of business.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (vii) Save as disclosed in Section IV of this Prospectus, the Directors are not aware of any material information including trade factors or risk which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company or its subsidiaries.
- (viii) Save as disclosed in Section VIII of this Prospectus as at the date of this Prospectus, there is no loan capital outstanding or mortgages and charges in relation to the Group.
- (ix) As at the date hereof, the Company and its subsidiaries do not have any outstanding convertible debt securities.
- (x) The name and address of the Auditors and Reporting Accountants of the Company are set out in Section I of this Prospectus.
- (xi) Apart from the listing sought on the Main Board of KLSE, NTHB is not listed on any stock exchange.

6. EXPENSES AND COMMISSION

- (i)
 - (a) Underwriting commission is payable by the Offeror to the Underwriters at the rate of two percentum (2.0%) of the offer price of RM0.50 per Offer Share on the 20,000,000 Offer Shares reserved for the Malaysian public.
 - (b) Brokerage at the rate of one percentum (1.0%) of the Offer Price of RM0.50 per Offer Share will be paid by the Offeror in respect of the successful Application Forms bearing the stamps of CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS.
- (ii) An estimated RM2,500,000 in respect of expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of the KLSE will be borne by the Company.

Save as disclosed above, no commissions, discounts, brokerage or other special terms, have, within the two (2) preceding years prior to the date of this Prospectus, been paid or granted or is payable to any Director, Promoter or expert or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company and its subsidiaries in connection with the issue or sale of any capital of the Company and its subsidiaries.

7. PUBLIC TAKE-OVERS

During the last financial year and the current financial year to-date, there were no:

- (i) public take-over offers by third parties in respect of the Company's shares; and
- (ii) public take-over offers by the Company in respect of other companies' shares.

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**8. MATERIAL CONTRACTS**

Save as disclosed elsewhere in the Prospectus and below, the Group does not have any outstanding material contracts which are or may be material, not being contracts entered into in the ordinary course of business, which have been entered into by the Company and its subsidiaries during the two (2) years preceding the date of this Prospectus:

- (i) An Underwriting Agreement dated 20 February 2003 between the Company, the Offerors and the Underwriters for the underwriting of 20,000,000 of the Offer Shares which is made available to the public for an underwriting commission 2.0% of the offer price of RM0.50 per Offer Share;
- (ii) Contract of Sale dated 11 April 2002 wherein NTPM has agreed to purchase, in a Public Auction, all that piece of land held under GM253, Lot 3387, Mukim of Petaling, District of Petaling, State of Selangor Darul Ehsan for cash consideration of RM3,351,000;
- (iii) Sale and Purchase Agreement dated 8 May 2002 between Amko Associates Sdn Bhd ("Amko") and NTPM wherein Amko agreed to sell and NTPM agreed to purchase all that piece of land held under HS(D) 224308, PTD No. 41665, Mukim of Senai Kulai, District of Johor Baru, State of Johor for cash consideration of RM900,000.00; and
- (iv) Sale and Purchase Agreement dated 31 December 2002 between Guthrie Property Development Holding Sdn Bhd ("Guthrie"), NTPM and Highland & Lowlands Berhad wherein Guthrie agreed to sell and NTPM agreed to purchase all that piece of land identified as No. 5, Jalan Tiang U8/93, Bukit Jelutong Industrial Park, Shah Alam, Selangor comprised in part of Geran 43086, Lot No 23862, Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan for cash consideration of RM4,356,000.00.

9. MATERIAL AGREEMENTS

Save as disclosed below or elsewhere in the Prospectus, the Group does not have any outstanding material agreements.

9.1 Insurance Policies

The Group has purchased the following of insurance policies from various insurers as follows:

- (i) Various insurance policies from RHB Insurance Berhad for an aggregate sum insured of RM103.779 million for the insurance coverage of the following:
 - fire for NTPM's building and improvements, machinery, stock, furniture and fittings, boilers, removal of debris, architect and surveyors fees;
 - fire for Jia In's machinery, stock, removal of debris, furniture and fittings;
 - fire consequential loss for Jia In's gross profit, wages and salaries and auditor's fees;
 - boiler and pressure vessel of NTPM and its subsidiaries;

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- group personal accident for employees of NTPM and NTE;
 - fidelity guarantee for some employees of NTPM and NTE
 - cash in transit and in locked safe for NTPM and NTE;
 - public liability for NTPM, NTE and Jia In in relation to tissue and related products on display or promotion or any accident;
 - all risk for NTPM and NTE's computer Notebooks;
 - equipment all risk for certain machinery;
 - good in transit for NTE and NTPM;
 - burglary for all Jia In's movable items; and
 - stocks contained in certain premises; and
- (ii) Various insurance policies from CGU International Insurance PLC for an aggregate sum insured of SGD1,105,000 for the insurance coverage of the following:
- fire for NTPM's contents, stock, machinery, furniture and fittings.
 - money in transit, money in premises and money kept in premises for NTPM; and
 - workmen's compensation for certain employees of NTPM.

9.2 Loan Agreements

The Group has obtained the following of credit facilities from various financial institutions as follows:

- (i) Various credit facilities from Malayan Banking Berhad granted to NTPM amounting to RM93,150,000;
- (ii) Various credit facilities from Malayan Banking Berhad granted to Jia In amounting to RM1,400,000;
- (iii) Various credit facilities from Malayan Banking Berhad granted to NTE amounting to RM2,500,000;
- (iv) Various credit facilities from United Overseas Bank (Malaysia) Bhd granted to NTPM amounting to RM30,000,000; and
- (v) Various credit facilities from HSBC Malaysia Berhad granted to NTPM amounting to RM10,000,000.

9.3 Other Agreements

- (i) Cash purchase (via a Purchase Order dated 25 April 2001) of "New Boiler" by NTPM from Advanced Boilers Sdn Bhd for RM1,700,000;

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (ii) A collective agreement dated 29 May 2001 entered into between NTPM and the Paper and Paper Products Manufacturing Employees Union. The Agreement is to take effect from 1 July 2001 and shall continue in force for a period of 3 1/2 years; and
- (iii) Cash purchase (via an order confirmation dated 25 October 2002) of QUALYWRAP 1800 ML-HV machine design and motion control for EURO700,000 and additional cost for packing, set-up and training is EURO29,000.

10. LETTERS OF CONSENT

- (i) The written consents of the Principal Bankers, Solicitors, Company Secretary, Registrar, Issuing House, Adviser, Joint Managing Underwriters, Underwriters and Placement Agent to the inclusion in this Prospectus of their names in the manner and form in which such names appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and their letters relating to the consolidated profit estimate and forecast for the two (2) financial years ending 30 April 2003 and 2004, and proforma consolidated balance sheets as at 30 September 2002 in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iii) The written consent of the Valuers to the inclusion in this Prospectus of their name and the Valuation Certificate in the manner and form in which they are contained in the Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iv) The written consents of Dynaquest Sdn Bhd and ACNielsen Retail Measurement Services to the inclusion in this Prospectus of their names and quotations in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of NTHB during office hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of NTHB and its subsidiaries;
- (ii) The material contracts and material agreements referred to in Section XII(8) and (9) of this Prospectus;
- (iii) The Reporting Accountants' letters relating the consolidated profit estimate and forecast for the two (2) financial years ending 30 April 2003 and 2004 and proforma consolidated balance sheets as at 30 September 2002 referred to in Sections VIII(5) and VIII(9) respectively of this Prospectus;
- (iv) The Directors' Report and Accountants' Report referred to in Sections X and IX respectively of this Prospectus;
- (v) The letters of consent referred to in Section XII(10) of this Prospectus;

XII. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (vi) The audited financial statements of NTHB and its subsidiaries for the past five (5) financial years ended 30 April 2002 and five-(5) months financial period ended 30 September 2002; and
- (vii) The Valuation Certificate and the Valuation Reports stated therein as referred to Section XI of this Prospectus;
- (viii) The Back Data Report for year 2000, 2001 and 2002 by ACNielsen Retail Measurement Services;
- (ix) The independent sectorial report dated 11 January 2000 in relation to Paper Industry by Dynaquest Sdn Bhd.

12. RESPONSIBILITY STATEMENTS

- (i) CIMB acknowledges that to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Offer for Sale and the Company and its subsidiaries, and are satisfied that the consolidated profit estimate and forecast (for which the Directors are solely responsible) has been stated by the Directors after due and careful inquiry.
- (ii) This Prospectus has been seen and approved by the Directors and Promoters of NTHB and the Offerors, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.