

**Quarterly rpt on consolidated results for the financial period ended 31/7/2014**

NTPM HOLDINGS BERHAD

Financial Year End 30/04/2015  
 Quarter 1  
 Quarterly report for the financial period ended 31/07/2014  
 The figures have not been audited  
**Attachments**

[NTHB - 1st Qtr Result ended 31July2014.pdf](#)

167 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)****SUMMARY OF KEY FINANCIAL INFORMATION**

	31/07/2014		31/07/2014	
	INDIVIDUAL PERIOD CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CUMULATIVE PERIOD CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/07/2014 \$\$'000	31/07/2013 \$\$'000	31/07/2014 \$\$'000	31/07/2013 \$\$'000
<b>1 Revenue</b>	132,244	131,751	132,244	131,751
<b>2 Profit/(loss) before tax</b>	9,845	16,583	9,845	16,583
<b>3 Profit/(loss) for the period</b>	7,002	11,975	7,002	11,975
<b>4 Profit/(loss) attributable to ordinary equity holders of the parent</b>	7,002	11,975	7,002	11,975
<b>5 Basic earnings/(loss) per share (Subunit)</b>	0.60	1.10	0.60	1.10
<b>6 Proposed/Declared dividend per share (Subunit)</b>	0.00	0.00	0.00	0.00
<b>7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)</b>	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
		0.3100		0.3000

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.  
 Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

**Announcement Info**

Company Name NTPM HOLDINGS BERHAD  
 Stock Name NTPM  
 Date Announced 5 Sept 2014  
 Category Financial Results  
 Reference No CS-140904-34062



# NTPM HOLDINGS BERHAD

(Company No. 384662 U)  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014

### CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 July 2014	31 July 2013	31 July 2014	31 July 2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>132,244</b>	<b>131,751</b>	<b>132,244</b>	<b>131,751</b>
<b>Operating profit</b>	<b>10,925</b>	<b>17,584</b>	<b>10,925</b>	<b>17,584</b>
Interest income	73	74	73	74
Interest expense	(1,153)	(1,075)	(1,153)	(1,075)
<b>Profit before tax</b>	<b>9,845</b>	<b>16,583</b>	<b>9,845</b>	<b>16,583</b>
Income tax expense	(2,843)	(4,608)	(2,843)	(4,608)
<b>Profit net of tax</b>	<b>7,002</b>	<b>11,975</b>	<b>7,002</b>	<b>11,975</b>
<b>Profit attributable to:</b>				
Owners of the parent	7,002	11,975	7,002	11,975
Non-controlling interests	-	-	-	-
	<b>7,002</b>	<b>11,975</b>	<b>7,002</b>	<b>11,975</b>
Basic/Diluted earnings per ordinary share (sen)	0.6	1.1	0.6	1.1

*The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014.*

*The accompanying notes are an integral part of this statement.*



# NTPM HOLDINGS BERHAD

(Company No. 384662 U)  
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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 July 2014	31 July 2013	31 July 2014	31 July 2013
	RM'000	RM'000	RM'000	RM'000
<b>Profit net of tax</b>	7,002	11,975	7,002	11,975
<b>Other comprehensive income :</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(325)	702	(325)	702
<b>Total comprehensive income for the period</b>	<b>6,677</b>	<b>12,677</b>	<b>6,677</b>	<b>12,677</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	6,677	12,677	6,677	12,677
Non-controlling interests	-	-	-	-
	<b>6,677</b>	<b>12,677</b>	<b>6,677</b>	<b>12,677</b>

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014.*

*The accompanying notes are an integral part of this statement.*



## NTPM HOLDINGS BERHAD

(Company No. 384662 U)  
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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014

#### NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 July 2014	31 July 2013	31 July 2014	31 July 2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(73)	(74)	(73)	(74)
(b) Other income including investment income	(383)	(338)	(383)	(338)
(c) Interest expense	1,153	1,075	1,153	1,075
(d) Depreciation and amortisation	6,884	6,253	6,884	6,253
(e) Provision for and write off of receivables	150	150	150	150
(f) Provision for and write off of inventories	-	-	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment/(Reversal of impairment) of assets	-	-	-	-
(i) Foreign exchange gain	(24)	(279)	(24)	(279)
(j) (Gain)/loss on derivatives	(74)	1,270	(74)	1,270

*The Notes to Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014.*

*The accompanying notes are an integral part of this statement.*



**NTPM HOLDINGS BERHAD**  
(Company No. 384662 U)  
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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited) As at 31 July 2014	(Audited) As at 30 April 2014
	<u>RM'000</u>	<u>RM'000</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	316,331	305,009
LAND USE RIGHTS	20,075	20,543
DEFERRED TAX ASSETS	398	413
	<u>336,804</u>	<u>325,965</u>
<b>CURRENT ASSETS</b>		
Inventories	98,412	94,234
Trade receivables	82,842	85,646
Other receivables	37,751	30,963
Derivative assets	117	43
Cash and bank balances	38,321	44,442
	<u>257,443</u>	<u>255,328</u>
<b>TOTAL ASSETS</b>	<u>594,247</u>	<u>581,293</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(15)	(15)
RESERVES	234,788	228,111
<b>TOTAL EQUITY</b>	<u>347,093</u>	<u>340,416</u>
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	9,850	11,287
DEFERRED TAX LIABILITIES	17,993	18,738
RETIREMENT BENEFIT OBLIGATIONS	2,195	2,121
	<u>30,038</u>	<u>32,146</u>
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	2	2
Borrowings	147,463	122,623
Trade payables	27,466	30,413
Other payables	41,615	53,580
Tax payable	570	2,113
Derivative liabilities	-	-
	<u>217,116</u>	<u>208,731</u>
<b>TOTAL LIABILITIES</b>	<u>247,154</u>	<u>240,877</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>594,247</u>	<u>581,293</u>
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	<u>0.31</u>	<u>0.30</u>

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014.*

*The accompanying notes are an integral part of this statement.*



## NTPM HOLDINGS BERHAD

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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014

#### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Three Months Ended 31 July 2014

	← Attributable to owners of the parent →				Non-controlling Interest	Total Equity	
	Non-distributable		Distributable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2014	112,320	(15)	43,658	184,453	340,416	-	340,416
Total comprehensive income for the period	-	-	(325)	7,002	6,677	-	6,677
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Resale of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Total transactions with owners :	-	-	-	-	-	-	-
<b>At 31 July 2014</b>	<b>112,320</b>	<b>(15)</b>	<b>43,333</b>	<b>191,455</b>	<b>347,093</b>	<b>-</b>	<b>347,093</b>

Three Months Ended 31 July 2013

	← Attributable to owners of the parent →				Non-controlling Interest	Total Equity	
	Non-distributable		Distributable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2013	112,320	(5,738)	43,074	160,731	310,387	-	310,387
Total comprehensive income for the period	-	-	702	11,975	12,677	-	12,677
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Total transactions with owners :	-	-	-	-	-	-	-
<b>At 31 July 2013</b>	<b>112,320</b>	<b>(5,738)</b>	<b>43,776</b>	<b>172,706</b>	<b>323,064</b>	<b>-</b>	<b>323,064</b>

*The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014*

*The accompanying notes are an integral part of this statement.*



**NTPM HOLDINGS BERHAD**

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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31 July 2014</b>	<b>31 July 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	9,845	16,583
Adjustments for:		
Amortisation of land use rights	118	118
Bad debts written off	-	-
Depreciation	6,766	6,135
Effect of exchange rate changes	362	72
Interest expense	1,153	1,075
Interest income	(73)	(74)
Inventories written (back)/down	-	-
Loss/(gain) on disposal of property, plant and equipment	63	(7)
Net fair value loss on derivatives	(74)	1,270
Plant and equipment written off	2	11
Increase in liability for defined benefit plan	86	96
Impairment loss on loan and receivables	150	150
Impairment Loss on plant & equipments	-	-
Short term accumulating compensated absences	-	-
Unrealised foreign exchange loss/(gain)	411	(167)
Total adjustments	8,964	8,679
<b>Operating cash flows before changes in working capital</b>	<b>18,809</b>	<b>25,262</b>
Changes in working capital		
Increase in receivables	(4,512)	(5,400)
Increase in inventories	(4,178)	(2,959)
Decrease in payables	(14,940)	(611)
Decrease in retirement benefit obligations	(12)	(49)
Total changes in working capital	(23,642)	(9,019)
<b>Cash flows from operations</b>	<b>(4,833)</b>	<b>16,243</b>
Interest paid	(1,153)	(1,075)
Tax paid	(4,932)	(4,721)
Tax refunded	-	444
<b>Net cash flow generated from operating activities</b>	<b>(10,918)</b>	<b>10,891</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(18,606)	(5,773)
Acquisition of land use rights	-	-
Interest received	73	74
Proceeds from disposal of plant and equipment	120	10
<b>Net cash used in investing activities</b>	<b>(18,413)</b>	<b>(5,689)</b>
<b>FINANCING ACTIVITIES</b>		
Net change in bank borrowings	26,626	(5,055)
Repayment of term loans	(3,416)	(3,396)
Dividends paid to shareholders	-	-
Purchase of treasury shares	-	-
Resale of treasury shares	-	-
<b>Net cash (used in)/from financing activities</b>	<b>23,210</b>	<b>(8,451)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,121)</b>	<b>(3,249)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	<b>44,442</b>	<b>31,438</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	<b>38,321</b>	<b>28,189</b>
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	21,340	11,265
Deposits with licensed banks:		
Fixed deposit	10,185	10,370
Short term placements	6,796	6,554
	<b>38,321</b>	<b>28,189</b>

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014.

The accompanying notes are an integral part of this statement.



**NTPM HOLDINGS BERHAD**  
(Company No. 384662-U)  
(Incorporated in Malaysia)

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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2014.

**2. Significant accounting policies**

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 30 April 2014 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2014:

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

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.





## NTPM HOLDINGS BERHAD

(Company No. 384662-U)  
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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014

#### NOTES TO THE INTERIM FINANCIAL REPORT

The standards and interpretations that are issued but not yet effective up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
Agriculture: Bearer Plants (Amendments to MFRSs 116 & MFRS 141)	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application other than for MFRS 15 Revenue from Contracts with Customers and MFRS 9 Financial Instruments. The Group will assess the financial implications of MFRS 9 when the final standard including all phases is issued. The Group is still in the progress of assessing the impact of MFRS 15.

### 3. Significant Accounting Estimates And Judgements

#### (a) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

#### (b) Key Sources of Estimation Uncertainty

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



## **NTPM HOLDINGS BERHAD**

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### **INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014**

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#### **NOTES TO THE INTERIM FINANCIAL REPORT**

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##### **(i) Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unused Reinvestment Allowance to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowance can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of unrecognised tax losses and capital allowances of the Group was RM21.438 million (30.4.2014: RM20.141 million).

##### **(ii) Depreciation of plant and equipment**

The cost of paper making machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within ten years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### **4. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 30 April 2014 was not subject to any audit qualification.

#### **5. Seasonal or cyclical factors**

The business of the Group was not affected by any significant seasonal or cyclical factors during the financial period under review.

#### **6. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period.

#### **7. Changes in estimates**

There were no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current year.



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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**8. Debt and equity securities**

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial period.

**9. Dividend paid**

There were no dividends paid during the financial period ended 31 July 2014.

**10. Segment information**

Segment information is presented in respect of the Group's two core products based operating segments.

Segment information for the period ended 31 July 2014 are as follows:

	<b>Paper products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>			
Revenue from external customers	94,620	37,624	132,244
<b>Segment profit</b>	9,297	548	9,845
Included in the measure of segment profit are			
- depreciation and amortisation	5,554	1,330	6,884
- non-cash expenses other than depreciation and amortisation	510	118	628
<b>Segment assets</b>	481,559	112,688	594,247
Included in the measure of segment assets is			
- capital expenditure	17,655	951	18,606



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**INTERIM FINANCIAL REPORT  
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**NOTES TO THE INTERIM FINANCIAL REPORT**

Segment information for the period ended 31 July 2013 are as follows:

	<b>Paper products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>			
Revenue from external customers	93,195	38,556	131,751
<b>Segment profit</b>	12,729	3,854	16,583
Included in the measure of segment profit are			
- depreciation and amortisation	5,459	794	6,253
- non-cash expenses other than depreciation and amortisation	1,359	(56)	1,303
<b>Segment assets</b>	429,242	95,569	524,811
Included in the measure of segment assets is			
- capital expenditure	4,767	1,006	5,773

**11. Valuation of property, plant and equipment**

The valuations of land and building have been brought forward, without amendment from the annual financial statements for the year ended 30 April 2014. The carrying value is based on a valuation carried out on 30 April 2012 by independent qualified valuers less depreciation.

During the period, the acquisition and disposal of property, plant and equipment amounted to RM18.6 million and RM0.12 million respectively.

**12. Significant and subsequent events to the balance sheet date**

There were no significant material and subsequent events at the end of the financial period ended 30 April 2014 that have not been reflected in the interim financial statements as at the date of this report.

**13. Changes in the composition of the Group**

There were no significant changes in the composition of the Group for the current financial quarter and financial period to date.



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**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**14. Changes in corporate guarantees, contingent liabilities or contingent assets**

The corporate guarantees of the Company are as follows:

	<b>As at 31.07.2014</b>	<b>As at 30.04.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	<u>157,313</u>	<u>133,910</u>



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**INTERIM FINANCIAL REPORT  
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**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING  
REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

**15. Review of performance**

	Individual quarter ended		Cumulative period ended	
	31.07.2014	31.07.2013	31.07.2014	31.07.2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Paper Products	94,620	93,195	94,620	93,195
Personal Care Products	37,624	38,556	37,624	38,556
<b>Group</b>	<b>132,244</b>	<b>131,751</b>	<b>132,244</b>	<b>131,751</b>
<b>Profit before tax</b>				
Paper Products	9,297	12,729	9,297	12,729
Personal Care Products	548	3,854	548	3,854
<b>Group</b>	<b>9,845</b>	<b>16,583</b>	<b>9,845</b>	<b>16,583</b>

**Group**

Group revenue for the period ended 31 July 2014 was RM132.2 million compared with RM131.8 million for the period ended 31 July 2013, an increase of 0.4%. The increase in revenue was mainly due to the increase in sales of tissue. The Group's profit before taxation for the period ended 31 July 2014 was RM9.8 million, a decrease of 40.6% over the RM16.6 million registered in the preceding period corresponding quarter. The decrease in profit before taxation was mainly due to the increase in cost of raw material, labour & utility mainly electricity and natural gas.

**Paper Products segment**

Revenue from the paper products segment for the period ended 31 July 2014 was RM94.6 million compared with RM93.2 million for the financial period ended 31 July 2013, an increase of 1.5%. The increase in revenue was mainly due to higher demand for tissue products in the domestic market. The profit before taxation in the paper products segment for the period ended 31 July 2014 was RM9.3 million, a decrease of 27.0% over the RM12.7 million registered in the corresponding quarter of previous financial period. The decrease in profit before taxation was mainly due to higher cost of production namely as the result from the increase in raw materials, labour and utility costs.



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##### Personal Care Products segment

Revenue from the personal care products segment for the period ended 31 July 2014 was RM37.6 million compared with RM38.6 million recorded in the previous year corresponding quarter, a decrease of 2.4%. The decrease in revenue was mainly due to the decrease in sales of baby diaper due to keen competition from other players. The profit before taxation in the personal care products segment for the period ended 31 July 2014 was RM0.55 million, a decrease of 85.8% over the RM3.85 million registered in the corresponding period in the previous financial period. The decrease in profit before taxation was mainly due to the decrease in sales revenue, higher cost of production and increase in cost of advertisement.

#### 16. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	31.07.2014	30.04.2014	RM'000	%
	RM'000	RM'000		
Revenue	132,244	135,964	(3,720)	(2.7)
Profit before tax	9,845	13,814	(3,969)	(28.7)

The revenue for the quarter ended 31 July 2014 decreased by RM3.7 million or 2.7% while profit before taxation decreased by RM4.0 million or 28.7% for the current quarter as compared to the preceding quarter. The decrease in profit before taxation was mainly attributable to decrease in sales during the financial quarter and gain on foreign exchange recorded in the preceding quarter.

#### 17. Prospects

The Board expects the business environment in the coming financial year ending 30 April 2015 ("FY2015") to be more competitive due to the mounting costs pressure and keen competition. Both the tissue and personal care segment will continue to operate in a tough environment as most of the FMCG ("Fast-Moving Consumer Goods") companies continue to shift their focus from protecting margins to increasing volumes. Meanwhile, the rise in labour and overhead costs is expected to dampen the Group's profitability further. The increase in electricity tariff rates in January 2014 and natural gas tariffs in May 2014 will cause overhead costs to escalate and will affect the financial performance for the upcoming year.

In light of these challenges, the Group has strategic plans and control measures put in place to mitigate the impact from these adverse conditions. Several cost-savings projects have been identified and approved to improve the Group's operational efficiency and keep a tight rein on costs to drive down waste and inefficiencies across the group's business units. We are looking into ways to strengthen our customer base and improve our distribution channel. The



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Group is also looking at developing new products and opportunity to venture into new business segments if the expansion synergizes with the Group's current business model.

#### 18. Variance of actual profit from profit forecast

Not applicable.

#### 19. Taxation

	Current Quarter 3 months ended 31 July 2014 RM'000	Year-to-date 3 months ended 31 July 2014 RM'000
Income tax		
Current year	3,372	3,372
Prior year	200	200
	<u>3,572</u>	<u>3,572</u>
Deferred tax		
Current year	(501)	(501)
Prior year	(228)	(228)
	<u>2,843</u>	<u>2,843</u>

During the previous financial year ended 30 April 2011, a subsidiary was subjected to an Inland Revenue Board (IRB) field audit covering the years of assessment 2004 to 2008, where the IRB in turn raised assessments for additional tax liabilities and penalties amounting to RM2.23 million. Arising therefrom, a settlement agreement between the subsidiary and IRB has been signed on 26 June 2014. The settlement does not have any material impact on the financial position or performance of the Group. Based on the agreed settlement agreement, IRB shall issue the notice of reduced assessment (Form JR) amounting to RM1.90 million which constitutes the amount to be refunded as a result of certain allowed tax deductions for the years of assessment 2004 to 2008.

#### 20. Status on corporate proposals

There were no significant corporate proposals for the current financial period to date.





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**21. Group borrowings**

	<b>31 July 2014</b>
	<b>RM'000</b>
<b>Non-current</b>	
<b>Unsecured</b>	
Long term loan	9,850
<b>Current</b>	
<b>Unsecured</b>	
Bankers' acceptance	83,100
Export credit refinancing	16,235
Revolving Credit (RC)	39,330
Term loans	8,798
	<u>147,463</u>

The above borrowings are denominated in Ringgit Malaysia except for Revolving Credit(RC) which are denominated in US Dollar.

**22. Derivatives financial instruments**

Forward foreign exchange contracts are entered into by the Group in currencies other than their functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Group's policy is to hedge all excess amount of receivables against payables.

As at 31 July 2014, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

Foreign Currency	Outstanding Contract Amount		Fair Value	Derivative Assets/ (Liabilities) RM'000	Maturity Date
	FC '000	RM'000	RM'000		
<b><u>Non-Hedging Derivatives</u></b>					
<b><u>Bank Buy</u></b>					
Singapore Dollar	2,479	6,448	6,364	84	12 Aug 2014 – 25 Sep 2014
<b><u>Bank Sell</u></b>					
US Dollar	3,073	9,804	9,837	33	15 Aug 2014 – 29 Aug 2014



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Derivatives financial instruments that are not designated or do not qualify for hedge accounting are categorised as fair value through profit or loss and measured at their fair value with the gain or loss recognized in the profit or loss. During the current financial quarter ended 31 July 2014, the Group recognised a gain on derivative of RM74,000 arising from fair value changes of financial derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

The Group will fund the requirements of these derivatives from its net cash flow from operating activities when payments fall due.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group nor the related accounting policies for the financial period ended 31 July 2014. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for the financial year ended 30 April 2014.

#### **23. Material litigation**

There was no pending material litigation as at the date of this quarterly report.

#### **24. Dividend**

The proposed single tier final dividend of 14.5% in respect of the financial year ended 30 April 2014 of RM0.10 each (1.45sen per share) has been approved by the shareholders at the Annual General Meeting held on 5 September 2014. The dividend shall be payable on 26 September 2014 to the shareholders registered in the Company's books at the close of business on 11 September 2014.

The financial statements for the current financial period do not reflect the proposed dividend. The dividend will be accounted for in shareholders' equity as an appropriation of retained profits in the financial period ending 31 October 2014 in accordance with MFRS 110 Events After The Reporting Period.



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**25. Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the quarter/period by the weighted average number of ordinary shares during the financial quarter/period.

	<b>3 Months Period Ended</b>		<b>3 Months Period Ended</b>	
	<b>31 July</b>		<b>31 July</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net profit attributable to shareholders (RM'000)	7,002	11,975	7,002	11,975
Weighted average number of ordinary shares in issue ('000)	1,123,180	1,110,064	1,123,180	1,110,064
Basic earnings per share (sen)	0.6	1.1	0.6	1.1

**26. Realised and Unrealised Profits/Losses**

The retained profits of the Group are analysed as follows: -

	<b>As at</b>	<b>As at</b>
	<b>31/07/2014</b>	<b>30/04/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Company and its subsidiaries : -		
-Realised	177,373	171,165
-Unrealised	(10,533)	(11,262)
	<hr/>	<hr/>
	166,840	159,903
Add/(Less) : Consolidation adjustments	24,615	24,550
Total group retained profits as per consolidated accounts	<hr/>	<hr/>
	191,455	184,453



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#### 27. Comparatives

During the financial quarter/period, the Group made prior year adjustments for the financial quarter/period ended 31 July 2013 and the details are as follows:

- (i) the Group had inadvertently over-eliminated inter-companies revenue. This has caused understatement of revenue and cost of sales as follows:-

	<b>As Previously Stated RM'000</b>	<b>Adjustments RM'000</b>	<b>As Reclassified RM'000</b>
<b>Income Statements</b>			
3 Months Period Ended 31 July 2013			
Revenue	124,757	6,994	131,751
Cost of Sales	(87,571)	(6,994)	(94,565)

**By Order of the Board**

**Company Secretary**

**DATED THIS 5<sup>th</sup> DAY OF SEPTEMBER, 2014.**