

VIII. FINANCIAL INFORMATION

1. HISTORICAL FINANCIAL INFORMATION

1.1 Proforma Consolidated Income Statement

The following is a summary of the proforma consolidated results of NTHB Group for the past five (5) financial years ended 30 April 2002 and the five (5)-month period ended 30 September 2002 after incorporating such adjustments considered necessary based on the audited results of NTHB Group. The proforma consolidated results are provided for illustrative purposes only, assuming that the present structure of NTHB Group had been in existence throughout the years/period under review. The proforma consolidated results of NTHB Group were accounted for under the merger accounting method as set out in the Malaysian Accounting Standard Board Standard No. 21, except for H-Link and Jia In which were accounted for under the acquisition accounting method under Malaysian Accounting Standard Board Standard No. 11. The proforma consolidated results have been extracted from and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report as set out in Section IX of this Prospectus.

	<---For the financial year ended 30 April --->					5-month period ended 30 September
	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000	2002 RM 000	2002 RM 000
Revenue	130,323	149,764	152,579	164,721	181,701	76,831
EBITDA	9,566	32,637	29,321	36,468	48,565	21,891
Depreciation	(9,563)	(10,222)	(11,022)	(11,356)	(11,585)	(4,868)
Interest expenses	(4,841)	(6,549)	(3,238)	(2,183)	(1,105)	(309)
(Loss)/profit before taxation	(4,838)	15,866	15,061	22,929	35,875	16,714
Taxation	(474)	-	(3,044)	(4,114)	(9,494)	(4,210)
(Loss)/profit after taxation but before MI	(5,312)	15,866	12,017	18,815	26,381	12,504
MI	(73)	(64)	(145)	(107)	45	(26)
(Loss after taxation and MI)/PATAMI	(5,385)	15,802	11,872	18,708	26,426	12,478
No. of ordinary shares of RM0.10 assumed in issue (000) ⁽ⁱ⁾	624,000	624,000	624,000	624,000	624,000	624,000
Gross EPS (RM) ⁽ⁱ⁾	(0.01)	0.03	0.02	0.04	0.06	0.06 [#]
Net EPS (RM) ⁽ⁱ⁾	(0.01)	0.03	0.02	0.03	0.04	0.05 [#]

Notes:

Annualised for comparison purposes only.

(i) Based on the enlarged issued and paid-up share capital of NTHB after the Restructuring.

(ii) There is no exceptional or extraordinary items during the financial years/period under review.

VIII. FINANCIAL INFORMATION (Cont'd)

Commentary:

(i) *The financial statements of Jia In for the financial year ended 30 September 1998 to 2000 and the seven (7) month period ended 30 April 2001 have been time apportioned in order to be coterminous with the financial year end of NTHB.*

(ii) *Minority interest is in respect of 40% interest in Jia In.*

(iii) *For the financial year ended 30 April 1998, revenue increased to RM130.3 million, principally due to increase in local sales, which was mainly attributed by NTE's successful penetration into the East Malaysia Market, new products under Cutie brands, being fully launched in the local market and more aggressive marketing and promotional activities held during the financial year.*

Loss before taxation for the financial year ended 30 April 1998 was mainly due to unfavourable sales and purchases settlements arising from contracted foreign exchange forward contracts, and foreign exchange losses arising from the translation of foreign currency denominated Offshore Foreign Currency Loan. Apart from the above, selling related expenses such as promotional expenses and sales commission also increased as a result of the overseas customers' demand for discount in view of the "presumed" windfall savings to NTHB Group arising from the weaker RM under the currency crisis at that time.

(iv) *For the financial year ended 30 April 1999, revenue and profit before taxation increased to RM149.8 million and RM15.9 million respectively, as a result of significant increase in local sales. This was mainly attributed to encouraging market response to the newly launched product with higher margin such as Hanky-Pack, Teddy Soft and Cutie Compact and extensive promotion such as Premiere Contest and product displays at various supermarkets.*

There was no tax charge in respect of business income for the financial year ended 30 April 1999 as it was waived in accordance with the Income Tax (Amendment) Act 1999.

(v) *For the financial year ended 30 April 2000, revenue increased to RM152.6 million as a result of further increase in local sales. The recovery of the economy in 2000 has a positive impact on the consumption of tissue paper through the hospitality industry. In addition, NTE also managed to increase its market share in the local market.*

As a result of a shift of sales mix from export sales to local sales gradually since the last financial year and the increase in material costs, mainly waste paper, pulp and production supplies, gross profit margin has decreased from 47.2% to 41.1%. However, finance costs had also decreased to RM3.4million due to reduction in bank borrowings. Accordingly, profit before taxation decreased to RM15.1million despite the increase in revenue.

(vi) *For the financial year ended 30 April 2001, revenue and profit before taxation increased to RM164.7 million and RM22.9 million respectively, as a result of significant increase in local sales. This was mainly due to additional outlets being opened and NTE's ability to capture greater local market share.*

Apart from the improvement in contribution margin, finance costs also decreased as a result of further reduction in bank borrowings. Sales related expenses, i.e. transport charges, commission and foreign exchange discount have also decreased as a result of decrease in sales to Asian Food Industries (HK) Ltd.

(vii) *For the financial year ended 30 April 2002, revenue and profit before taxation increased to RM181.7 million and RM35.9 million respectively, mainly attributed to increase in local sales as a result of NTE's ability to capture greater market share.*

Apart from the improvement in gross profit margin resulting from the decrease in material costs, finance costs also decreased by RM1.0 million due to reduction in bank borrowings.

VIII. FINANCIAL INFORMATION (Cont'd)

(viii) For the five-month period ended 30 September 2002, on an annualised basis, whilst the annualised revenue was fairly consistent with the last financial year, the annualised profit before taxation showed an improvement. This was mainly attributed to a decrease in finance costs and allowance for doubtful debts, as a result of lower utilisation of bank borrowings and better credit control.

The financial statements of NTHB and its subsidiaries were not subject to any audit qualification for the years under review with the exception of the financial statements of Jia In. Jia In's financial statements for the three (3) financial years ended 30 September 1999 were qualified as a result of the auditors not attending the stock take at the relevant date and the value of stock was based on the valuation made by management. However, as the contribution of Jia In is not significant, the impact of the qualification is not expected to be material to the proforma Group results. Furthermore, subsequently, the financial statements of Jia In were reported without any qualification.

1.2 Segmental Analysis

The following is segmental analysis by companies of the proforma audited consolidated results for the past five (5) financial years ended 30 April 2002 and the five-(5) month period ended 30 September 2002. The proforma consolidated results are provided for illustrative purposes only, assuming that the existing structure of NTHB Group had been in existence throughout the years/period under review. The proforma consolidated results of NTHB Group were accounted for under the merger accounting method as set out in the Malaysian Accounting Standard Board Standard No. 21, except for H-Link and Jia In which were accounted for under the acquisition accounting method under Malaysian Accounting Standard Board Standard No. 11.

Analysis of turnover by companies

	<-----For the financial year ended 30 April ----->					5-month period ended 30 September
	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000	2002 RM 000	2002 RM 000
NTHB	-	3,891	4,410	12,200	17,572	-
NTPM	100,074	120,145	117,842	133,768	151,199	63,916
NTE	57,549	78,359	90,386	114,037	134,661	57,175
NTPC	-	-	-	-	-	-
H-Link	-	-	-	-	-	-
NTPP	69,814	66,119	48,865	35,959	39,011	15,945
Jia In	1,987	2,807	2,433	1,023	2,112	910
Less: Consolidation Adjustment	(99,101)	(121,557)	(111,357)	(132,266)	(162,854)	(61,115)
	<u>130,323</u>	<u>149,764</u>	<u>152,579</u>	<u>164,721</u>	<u>181,701</u>	<u>76,831</u>

VIII. FINANCIAL INFORMATION (Cont'd)

Analysis of PATAMI by companies

	←----For the financial year ended 30 April ---->					5-month period ended 30 September 2002
	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000	2002 RM 000	RM 000
NTHB	(668)	3,712	3,895	12,032	15,870	(19)
NTPM	(6,927)	11,281	5,885	13,765	24,046	11,757
NTE	724	5,851	5,661	4,295	2,199	342
NTPC	(5)	(3)	(4)	(4)	(4)	(3)
H-Link	-	-	(408)	(31)	(5)	(1)
NTPP	1,997	(698)	57	582	1,490	327
Jia In	109	95	217	143	(113)	65
Less: Consolidation Adjustment	(615)	(4,436)	(3,431)	(12,074)	(17,057)	10
	<u>(5,385)</u>	<u>15,802</u>	<u>11,872</u>	<u>18,708</u>	<u>26,426</u>	<u>12,478</u>

2. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND MATERIAL LITIGATION AND ARBITRATION

2.1 Working Capital

The Directors of NTHB are of the opinion that, barring unforeseen circumstances and after taking into account the cashflow estimate and forecast of the Group and banking facilities available, the Group will have adequate working capital for its present and foreseeable requirements.

2.2 Borrowings

As at 7 March 2003 (being the last practicable date at which such amounts could be calculated prior to the printing of this Prospectus), the total interest bearing borrowings of the Group amounts to RM29.127 million as follows:

Tenure	Amount RM 000
Short term (repayment within one (1) year from 7 March 2003)	29,004
Long term (repayment commencing one (1) year after 7 March 2003)	123
	<u>29,127</u>

Save as disclosed above, the Group does not have any other loan capital outstanding or loan capital created but unissued mortgages or charges outstanding.

2.3 Contingent Liabilities

As at 7 March 2003 (being the latest practicable date prior to the printing of this Prospectus), the Board is not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or net assets of the Group.

VIII. FINANCIAL INFORMATION (Cont'd)

2.4 Capital Commitment

As at 7 March 2003 (being the latest practicable date prior to the printing of this Prospectus), the Group has capital commitments of approximately RM6.543 million as follows:

	RM 000
<i>Approved and contracted</i>	
- Acquisition of plant and machinery	2,623
- Acquisition of property	3,920
<i>Approved but not contracted</i>	-
	<u>6,543</u>

2.5 Material Litigation and Arbitration

Neither the Company nor its subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant which has a material effect on the financial position of the Group and the Board do not know of any proceedings pending or threatened or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

3. CONSOLIDATED PROFIT ESTIMATE, FORECAST AND ASSUMPTIONS

- (i) The Directors of NTHB estimate and forecast that, barring unforeseen circumstances, the Group's profit after taxation and minority interests for the NTHB Group for the financial year ending 30 April 2003 and 30 April 2004 respectively will be approximately as follows:

Year ending 30 April	Estimate 2003 RM 000	Forecast 2004 RM 000
Revenue	190,311	217,303
Consolidated profit before taxation and MI	38,997	41,302
Taxation	(9,413)	(6,616)
Consolidated profit after taxation but before MI and exceptional item	29,584	34,686
MI	(32)	(39)
Consolidated profit after taxation and MI but before exceptional item	29,552	34,647
Exceptional item	-	-
Consolidated profit after taxation, MI and exceptional item	29,552	34,647
Gross EPS (sen)	6.25	6.62
Gross PE Multiple (based on the Offer Price of RM0.50 per share) (times)	8.00	7.55
Net EPS (sen)	4.74	5.55
Net PE Multiple (based on the Offer Price of RM0.50 per share) (times)	10.55	9.01

VIII. FINANCIAL INFORMATION *(Cont'd)*

Notes:

- (i) Based on the enlarged issued and paid-up share capital of NTHB after the Restructuring.*
 - (ii) The above consolidated profit estimate and forecasts have been prepared on bases and accounting principles consistent with those previously adopted in the preparation of the consolidated audited financial statements.*
- (ii) The bases and assumptions upon which the above consolidated profit estimate and forecast have been made are set out below:
- (a) There will be no significant changes in the prevailing economic and political conditions in Malaysia and other countries that may directly or indirectly have adverse effect on the activities or performance of the Group.
 - (b) There will be no significant changes in the present legislation or government regulations, rates and bases of duties, levies and taxes affecting the Group's activities or the market in which it operates.
 - (c) There will be no significant changes in the present structure or principal activities of the Group. The Group will be able to maintain its current customer base, secure additional new customers and achieve the market shares anticipated. There will be minimal threat from new entrants into the market in which the Group operates. There will be no major sales returns or significant erosion in the selling price.
 - (d) There will be no major breakdown or disruption in the manufacturing facilities, financial facilities, industrial disputes, supplies of materials and consumables, services from sub-contractors or other abnormal factors, both domestic and overseas, which will adversely affect the operations of the Group.
 - (e) The existing terms and conditions of contracts and agreements entered into by the Group will continue to remain in force and there will be no significant changes in the salaries, cost of raw materials, interest rates, inflation rates, consumables, utilities and other costs.
 - (f) There will be no significant changes in the existing key personnel and management, specifically certain directors and senior management with extensive experience in the market in which the Group operates.
 - (g) There will be no significant incidence of bad debts and excess and obsolete stocks or other abnormal circumstances, which will adversely affect the operations of the Group.
 - (h) There will be no significant changes in the discount, commission and promotional policies which will adversely affect the performance of the Group.
 - (i) The Group will only enter into short term forward currency contracts which are based on the net expected foreign currency cashflow for a three (3) month period.

VIII. FINANCIAL INFORMATION (Cont'd)

- (j) The provision for retirement benefits, as provided under the agreement between NTPM and Paper And Paper Products Manufacturing Employees Union, is made in accordance with the Actuarial report dated 31 July 2001, by William M. Mercer Zainal Fraser Sdn Bhd. There will be no subsequent material changes to the provisions made.
- (k) There will be no significant changes in the accounting policies normally adopted by the companies within the Group.
- (l) Capital expenditure will take place as planned with no material changes in the costs or prices from the forecast level.
- (m) There will be no material changes in the exchange rates of foreign currencies from the following:

SGD1 = RM2.20
 USD1 = RM3.79

4. **DIRECTORS' ANALYSIS AND COMMENTARY ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST**

The Board have reviewed and analysed the bases and assumptions used in arriving at the consolidated profit estimate and forecast of the NTHB Group for the two (2) financial years ending 30 April 2003 and 30 April 2004 and are of the opinion that the consolidated profit estimate and forecast are fair and reasonable in light of the prospects of the tissue papers, toilet rolls and paper related products industry in which it operates and the future plans, strategies and prospects of the NTHB Group as set out in Section VI(2) of this Prospectus and after taking into consideration the estimate and forecast gearing level, liquidity and working capital requirements of the Group.

Profit estimate for the financial year ending 30 April 2003

For the financial year ending 30 April 2003, revenue is estimated at RM190.311 million representing an increase of 4.7% from the consolidated revenue for the financial year ended 30 April 2002 of RM181.701 million. The estimated increase in revenue is mainly due to the expected increase in demand from export and local market, and introduction of new product range. As a result of the increase in revenue, the consolidated PATAMI is estimated to increase by 11.8% to RM29.552 million as compared to RM26.426 in the financial year ended 30 April 2002.

Profit forecast for the financial year ending 30 April 2004

The Group's revenue is forecasted to grow by 14% or RM26.992 million in the financial year ending 30 April 2004 to RM217.303 million. This is due to its market expansion to other Asean countries and the forecasted increase in its local market share. As a result of the increase in revenue, the consolidated PATAMI is estimated to increase by 17.2% to RM34.647 million as compared to RM29.552 in the financial year ending 30 April 2003.

VIII. FINANCIAL INFORMATION (Cont'd)

5. REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST

(Prepared for inclusion in this Prospectus)



■ Chartered Accountants
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Mail Address:
P.O. Box 148,
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11 March 2003

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

Dear Sirs,

**CONSOLIDATED PROFIT ESTIMATE AND FORECAST
FOR THE FINANCIAL YEARS ENDING 30 APRIL 2003 and 2004**

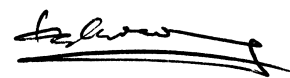
We have reviewed the accounting policies and calculations for the consolidated profit estimate and forecast after taxation and minority interests of NTPM HOLDINGS BERHAD (NTHB) AND ITS SUBSIDIARIES (NTHB Group), for which the directors are solely responsible, for the years ending 30 April 2003 and 2004 respectively, as set out in Section VIII of the Prospectus to be dated 17 March 2003 in connection with the Offer for Sale of 242,980,000 ordinary shares of RM0.10 each at an offer price of RM0.50 per share and the listing of and quotation for the entire issued and fully paid-up share capital of NTHB on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profits after taxation and minority interests, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the directors as set out in Section VIII of the Prospectus, and are stated on a basis consistent with the accounting policies normally adopted by NTHB Group.

Yours faithfully,



ERNST & YOUNG
No. AF 0039
Chartered Accountants



WONG KANG HWEE
No. 1116/01/04(J)
Partner of the Firm

VIII. FINANCIAL INFORMATION (Cont'd)

6. SENSITIVITY ANALYSIS

The principal bases and assumptions upon which the sensitivity analysis on the Group's consolidated profit forecast before taxation and consolidated profit forecast after taxation have been made are as follows:

- (i) the selected variable items will vary $\pm 5\%$, $\pm 10\%$ and $\pm 15\%$ from the base case;
- (ii) the Group's gross profit margin will be maintained at the same percentage as in the base case (for the scenario showing the impact of the changes in revenue only); and
- (iii) except for the selected sensitised items, the same assumptions for the other items in the base case shall apply.

The following scenario attempts to show the impact on profit resulting from changes in revenue, cost of raw materials and cost of sales.

(i) Changes in Revenue

	<-----For the financial year ending 30 April 2004----->			
	<--Profit before taxation-->		<--Profit after taxation-->	
	RM 000	%	RM 000	%
As per forecast	41,302		34,686	
+ 5	46,511	+13	39,070	+13
+ 10	51,721	+25	43,445	+25
+ 15	56,930	+38	47,822	+38
- 5	36,097	-13	30,321	-13
- 10	30,888	-25	25,946	-25
- 15	25,678	-38	21,570	-38

All other factors remaining equal, an increase in revenue by 5%, 10% and 15% will result in an increase in the profit before taxation and profit after taxation of the Group by approximately 13%, 25% and 38% and similarly a decrease in revenue by 5%, 10% and 15% will result in a decrease in the profit before taxation and profit after taxation of the Group by approximately 13%, 25% and 38%.

VIII. FINANCIAL INFORMATION (Cont'd)

(ii) Changes in Cost of Raw Materials

	<-----For the financial year ending 30 April 2004----->			
	<--Profit before taxation-->		<--Profit after taxation-->	
	RM 000		RM 000	
As per forecast	41,302		34,686	
+ 5	39,382	-5	33,081	-5
+ 10	37,454	-9	31,461	-9
+ 15	35,530	-14	29,845	-14
- 5	43,231	+5	36,314	+5
- 10	45,155	+9	37,930	+9
- 15	47,079	+14	39,546	+14

All other factors remaining equal, an increase in cost of raw materials by 5%, 10% and 15% will result in a decrease in the profit before taxation and profit after taxation of the Group by approximately 5%, 9% and 14% and similarly a decrease in cost of raw materials by 5%, 10% and 15% will result in an increase in the profit before taxation and profit after taxation of the Group by approximately 5%, 9% and 14%.

(iii) Changes in Cost of Sales

	<-----For the financial year ending 30 April 2004----->			
	<--Profit before taxation-->		<--Profit after taxation-->	
	RM 000		RM 000	
As per forecast	41,302		34,686	
+ 5	34,362	-17	28,864	-17
+ 10	27,423	-34	23,035	-34
+ 15	20,484	-50	17,206	-50
- 5	48,241	+17	40,523	+17
- 10	55,181	+34	46,352	+34
- 15	62,120	+50	52,181	+50

All other factors remaining equal, an increase in cost of sales by 5%, 10% and 15% will result in a decrease in the profit before taxation and profit after taxation of the Group by approximately 17%, 34% and 50% and similarly a decrease in cost of sales by 5%, 10% and 15% will result in an increase in the profit before taxation and profit after taxation of the Group by approximately 17%, 34% and 50%.

VIII. FINANCIAL INFORMATION (Cont'd)

7. DIVIDEND ESTIMATE, FORECAST AND POLICY

It is the policy of the Directors of NTIIB in recommending dividends to maintain a balance between allowing shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the Group.

Based on the estimated and forecast consolidated profit after taxation and MI for the two (2) financial years ending 30 April 2003 and 30 April 2004, the Directors of NTHB anticipate that, in the absence of unforeseen circumstances, the Company will be in a position to propose a final net dividend of approximately 0.961 sen per share and approximately 1.92 sen per share for the financial years ending 30 April 2003 and 30 April 2004 respectively, based on the issued and paid-up share capital of 624,000,000 NTHB Shares.

The intended appropriation of the estimated and forecast consolidated profit after taxation and minority interest for financial years ending 30 April 2003 and 30 April 2004 will be as follows:

Year ending 30 April	Estimate ⁽ⁱ⁾ 2003 RM 000	Forecast 2004 RM 000
Consolidated profit after taxation	29,584	34,686
Less: MI	(32)	(39)
Consolidated profit after taxation and MI	29,552	34,647
Less: Exceptional item	-	-
Consolidated profit after taxation, MI and exceptional item	29,552	34,647
Less: Interim dividend ⁽ⁱ⁾	(6,000)	-
Less: Proposed final dividend ⁽ⁱ⁾	(6,000)	(12,000)
Retained profits	17,552	22,647
Gross dividend per share (sen) ⁽ⁱⁱⁱ⁾	0.961	1.92
Gross dividend yield based on the Offer Price of RM0.50 per share (%)	1.92	3.85
Net dividend per share (sen) ⁽ⁱⁱ⁾	0.961	1.92
Net dividend yield based on the Offer Price of RM0.50 per share (%)	1.92	3.85
Net dividend cover (times)	2.46 ⁽ⁱⁱⁱ⁾	2.89

Notes:

- (i) An aggregate of RM12,000,000 tax-exempt dividend is estimated for the financial year ending 30 April 2003 of which, an interim tax-exempt dividend of RM6,000,000 has been declared and paid to the existing shareholders of NTHB. Only the remaining RM6,000,000 tax exempt dividend is attributable to the shareholders of NTIIB after the Offer for Sale.
- (ii) Based on the enlarged issued and paid-up share capital of NTHB after the Restructuring.
- (iii) Based on the total dividend of RM12,000,000 estimated for the financial year ending 30 April 2003 which includes the interim tax-exempt dividend of RM6,000,000 paid to the existing shareholders.

Future dividends will not be declared if:

- (a) the Group is in a loss position for the relevant financial year; or
- (b) the Group has insufficient cashflows to meet any dividend payments.

Notwithstanding the above, the Directors have full discretion not to propose any future dividend payment as and when deemed necessary, if it is in the best interests of the Company.

VIII. FINANCIAL INFORMATION (Cont'd)

8. PROFORMA CONSOLIDATED BALANCE SHEETS OF NTHB GROUP AS AT 30 SEPTEMBER 2002

The proforma consolidated balance sheets set out below are provided solely for illustrative purposes only to show the effects on the audited consolidated balance sheet of NTHB Group as at 30 September 2002 had the Share Split, Bonus Issue and Parting Dividends been effected on that date:

	Audited as at 30 September 2002 RM 000	Proforma after Share Split, Bonus Issue, Parting Dividends and Estimated Listing Expenses RM 000
CURRENT ASSETS	58,074	56,389
CURRENT LIABILITIES	(48,534)	(62,643)
PROPERTY, PLANT AND EQUIPMENT	109,938	109,938
INVESTMENTS	104	104
	<u>119,582</u>	<u>103,788</u>
Financed by:		
SHARE CAPITAL	3,891	62,400
SHARE PREMIUM	318	-
CAPITAL RESERVES	17,118	-
REVALUATION RESERVE	19,395	7,863
RETAINED PROFIT	66,394	21,059
SHAREHOLDERS' FUNDS	<u>107,116</u>	<u>91,322</u>
RESERVE ON CONSOLIDATION	200	200
MINORITY INTEREST	652	652
TERM LOANS	957	957
DEFERRED TAXATION	10,657	10,657
	<u>119,582</u>	<u>103,788</u>
NTA (RM 000)	107,316	91,522
No. of shares assumed in issue (000)	624,000	624,000
NTA per share (RM)	0.17	0.15

VIII. FINANCIAL INFORMATION (Cont'd)

Notes:

1. The Proforma Consolidated Balance Sheets have been prepared for illustrative purposes based on the audited consolidated balance sheet of NTHB as at 30 September 2002 and on the assumption that the following transactions had been effected as at 30 September 2002:

The Proforma Consolidated Balance Sheets incorporate the following:

- (i) Share Split of the paid-up share capital of NTHB comprising 3,891,299 ordinary shares of RM1.00 each to 38,912,990 ordinary shares of RM0.10 each by way of sub-division of the ordinary shares of RM1.00 each.
- (ii) Bonus Issue of 585,087,010 new NTHB shares of RM0.10 each credited as fully paid-up on the basis of approximately 150,358 new NTHB shares for every 10,000 NTHB shares held, by way of capitalisation of RM58,508,701 from the net revaluation reserves of NTHB which amounts to RM83,481,244 as at 30 September 2002 at the Company level. The net revaluation reserve of RM83,481,244 have arisen from the revaluation of NTHB's cost of investment in its subsidiaries after taking into consideration of the respective net tangible assets of its subsidiaries as at 30 April 2002 (after incorporating a net revaluation surplus of RM19,395,544 arising from the revaluation of landed properties by its subsidiaries). At the Group level, the Bonus Issue will be effected through the capitalisation of RM317,747 from the share premium account, RM17,117,642 from the capital reserve account, RM11,532,312 from the revaluation surplus account (arising from the revaluation of the landed properties of NTHB's subsidiaries) and RM29,541,000 from retained profits as at 30 September 2002.
- (iii) Payment of final tax-exempt dividend of RM8,108,701 in respect of financial year ended 30 April 2002 and interim tax-exempt dividend of RM6,000,000 in respect of financial year ending 30 April 2003.
- (iv) Estimated remaining listing expenses of RM1,685,000. The total estimated expenses for the proposed listing is RM2,500,000 of which RM815,000 has been taken up in the audited consolidated financial statements of NTHB as at 30 September 2002.

The Proforma Consolidated Balance Sheets have been prepared based on accounting policies and bases consistent with those previously adopted by NTHB and its subsidiaries.

2. The movement in the issued and paid-up share capital of NTHB after incorporating the Bonus Issue is as follows:

	RM 000
As at 30 September 2002	3,891
Bonus Issue	58,509
Per Proforma	<u>62,400</u>

3. The movement in the share premium account after incorporating the Bonus Issue is as follows:

	RM 000
As at 30 September 2002	318
Bonus Issue	(318)
Per Proforma	<u>-</u>

4. The movement in the capital reserve account after incorporating the Bonus Issue is as follows:

	RM 000
As at 30 September 2002	17,118
Bonus Issue	(17,118)
Per Proforma	<u>-</u>

VIII. FINANCIAL INFORMATION (Cont'd)

5. *The movement in the revaluation surplus account after incorporating the Bonus Issue is as follows:*

	RM 000
<i>As at 30 September 2002</i>	19,395
<i>Bonus Issue</i>	<u>(11,532)</u>
<i>Per Proforma</i>	<u>7,863</u>

6. *The movement in the retained profits account after incorporating the Bonus Issue, Parting Dividends and estimated remaining listing expenses are as follows:*

	RM 000
<i>As at 30 September 2002</i>	66,394
<i>Bonus Issue</i>	<u>(29,541)</u>
<i>Parting Dividends</i>	<u>(14,109)</u>
<i>Estimated listing expenses</i>	<u>(1,685)</u>
<i>Per Proforma</i>	<u>21,059</u>

VIII. FINANCIAL INFORMATION (Cont'd)

9. REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in this Prospectus)



AF:0039

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10710 Penang, Malaysia.

11 March 2003

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

Dear Sirs,

PROFORMA CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2002

We have reviewed the presentation of the proforma consolidated balance sheet of NTPM HOLDINGS BERHAD (NTHB) AND ITS SUBSIDIARIES ("NTHB Group") as at 30 September 2002 together with the notes thereto for which the directors are solely responsible, as set out in Section VIII of the Prospectus to be dated 17 March 2003, in connection with the Offer for Sale of 242,980,000 ordinary shares of RM0.10 each at an offer price of RM0.50 per share and the listing of and quotation of the entire issued and fully paid-up share capital of NTHB on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the proforma consolidated balance sheet of NTHB Group as at 30 September 2002, which is provided for illustrative purposes only, have been properly compiled to reflect the transactions as referred to in the notes to the proforma consolidated balance sheet set out in Section VIII of the Prospectus.

Yours faithfully,

ERNST & YOUNG
No. AF 0039
Chartered Accountants

WONG KANG HWEE
No. 1116/01/04(J)
Partner of the Firm

A Member of Ernst & Young Global