



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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2002**

NOTES TO THE INTERIM FINANCIAL REPORT

PART A: REQUIREMENTS OF MASB STANDARD 26 - INTERIM FINANCIAL REPORTING

1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting and Paragraph 9.22 of Kuala Lumpur Stock Exchange's Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2002.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 30 April 2002 except for the adoption of new applicable Approved Accounting Standards set out below:

(a) Prospective application

- MASB 21- Business Combination
- MASB 23- Impairment of Assets

(b) Retrospective application

Comparative figures have been adjusted or extended to conform with changes in presentation due to requirements of the following new MASB Standards that have been applied retrospectively:

- MASB 19- Events After Balance Sheet Date
- MASB 20- Provisions, Contingent Liabilities and Contingent Assets.
- MASB 22- Segment Reporting

There are no changes in accounting policy that affect net profit for the period or shareholders' equity as a result of adoption of these standards in the interim financial report except as set out below:

Dividends

In previous year, dividends were accrued as a liability when proposed by Directors. The Group has now changed this accounting policy to recognise dividends in shareholders' equity in the period in which the obligation to pay is established in accordance with MASB 19.

Therefore, final dividends are now accrued as a liability after approval by shareholders at the Annual General Meeting.



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As disclosed in the interim financial report for the financial period ended 31 October 2002, this change in accounting policy has been accounted for retrospectively.

The new accounting policy has the effect of increasing the retained profits for the financial year ended 30 April 2002 by RM8.1 million as shown below:

	As previously stated RM'000	Effect of changes in policy RM'000	As restated RM'000
At 30 April 2002			
- retained profits	45,807	8,109	53,916
- proposed dividends	8,109	(8,109)	-

2. Audit qualification

The audit report of the Group in respect of the financial statements for the year ended 30 April 2002 was not subject to any audit qualification.

3. 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.

4. Unusual items

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

5. Changes in estimates

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

6. Debt and equity securities

Other than as mentioned in Note 20, there were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period.



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7. Dividends paid

A first interim tax exempt dividend of 100% amounting to RM3,891,299 in respect of the year ended 30 April 2002 was paid on 30 August 2002.

8. Segment information

Segment information is presented in respect of the Group's business segment.

	6 months period ended 31 October 2002	
	Revenue RM'000	Segment results RM'000
Manufacturing	78,487	19,369
Trading	88,922	1,505
Amalgamated	<u>167,409</u>	<u>20,874</u>
Inter-segment elimination	(74,648)	(18)
Consolidated revenue/operating profit	<u>92,761</u>	<u>20,856</u>
Interest expense		(357)
Interest income		4
Consolidated revenue/profit before taxation	<u>92,761</u>	<u>20,503</u>

The directors are of the opinion that all inter-segment transfers have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Those transfers are eliminated on consolidation.

9. Valuation of property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the recent annual financial statements for the year ended 30 April 2002. The carrying value is based on a valuation carried out in September 2001 by independent qualified valuers less depreciation.

During the financial period, the acquisition of property, plant and equipment amounted to RM11.2 million. There was no disposal of property, plant and equipment during the financial period.



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10. Material events subsequent to the balance sheet date

Other than as mentioned in Note 20, there were no material events subsequent to the end of the current financial period that have not been reflected in the interim financial statements as at the date of this report.

11. Changes in the composition of the Group

There were no material changes in the composition of the Group during the financial period ended 31 October 2002.

12. Changes in contingent liabilities

The contingent liabilities of the Company are as follows:

	As at 31.10.2002 RM'000	As at 30.4.2002 RM'000
Corporate guarantees given to banks for credit facilities granted to a subsidiary	<u>19,852</u>	<u>16,321</u>

PART B: ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF KLSE LISTING REQUIREMENTS

13. Review of performance of the Company and its principal subsidiaries

For the six months period ended 31 October 2002, the Group recorded a revenue of RM92.8 million and a pre tax profit of RM20.5million, as compared to a revenue of RM91.3million and a pre-tax profit of RM19.2million for the six months period ended 31 October 2001.

The increase in profits is mainly due to the increase in revenue and also the reduction in interest expense as a result of reduction in the utilization of the credit facilities.

14. Variation of results against preceding quarter

The profit before taxation of RM10.1million for the current quarter under review is comparable to RM10.4million for the immediate preceding period and there is no significant variation as compared with the preceding quarter.



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15. Current year prospect

Baring unforeseen circumstances, with the continued strong demand for the Group's products, the Board of Directors is optimistic that for the financial year ending 30 April 2003, the Group will be able to surpass its performance in terms of revenue and profitability compared to financial year 2002.

16. Variance of actual profit from profit forecast

Not applicable.

17. Taxation

	Current Quarter 3 months period ended 31 October 2002 RM'000	Period-to-date 6 months period ended 31 October 2002 RM'000
Income tax		
Current year	2,576	5,149
	<hr/>	<hr/>
	2,576	5,149
Deferred tax	36	72
	<hr/>	<hr/>
	2,612	5,221

The Group's effective tax rate for the current quarter and financial year to date is lower than the statutory tax rate principally due to the availability of tax incentives to a subsidiary under the Income Tax Act, 1967.

18. Unquoted investments and/or properties

There was no disposal of unquoted investments or properties for the current financial quarter and financial year to date.

19. Quoted security

There were no purchases or disposal of quoted securities for the current financial quarter and financial year-to-date.



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20. Status on corporate proposals

In conjunction with the listing of the Company on the Main Board of the Kuala Lumpur Stock Exchange, the Company undertook the following:

- (a) Share split of existing paid-up share capital of the Company comprising 3,891,299 ordinary shares of RM1.00 each to 38,912,990 ordinary shares of RM0.10 each in the Company (NTHB shares) by way of a sub-division of the existing ordinary shares of RM1.00 each, on 18 February 2003;
- (b) Bonus issue of 585,087,010 new ordinary shares of RM0.10 each in the Company credited as fully paid up on the basis of approximately 150,358 new NTHB shares for every 10,000 existing NTHB shares held, on 18 February 2003;

Following this, the total share capital of the Company is RM62,400,000 comprising 624,000,000 ordinary shares of RM0.10 each.

On 17 March 2003, the Company issued a prospectus on the offer for sale of 242,980,000 ordinary shares of RM0.10 each at an offer price of RM0.50 per share, payable in full on application, comprising:

- (i) 187,200,000 ordinary shares of RM0.10 each reserved for bumiputera investors approved by the Ministry Of International Trade And Industry;
- (ii) 19,780,000 ordinary shares of RM0.10 each available for application by eligible employees of NTPM Holdings Berhad and its subsidiaries;
- (iii) 20,000,000 ordinary shares of RM0.10 each available for application by the Malaysian Public.
- (iv) 16,000,000 ordinary shares of RM0.10 each by way of private placement.



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21. Group borrowings, secured

	31 October 2002
	RM'000
Current	
Bankers' acceptance	9,782
Export credit refinancing	5,175
Hire purchase payables	24
Term loans	2,692
	<hr/> 17,673 <hr/>
Non-current	
Hire purchase payables	9
Long term loan	630
	<hr/> 639 <hr/>

The above borrowings are denominated in Ringgit Malaysia.

22. Off balance sheet financial instruments

Forward foreign exchange contracts are entered 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 18 April 2003, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

Foreign Currency	Contract Amount	Outstanding Contract Amount		Fair Value	Maturity Date
	FC '000	FC '000	RM'000	RM'000	
Singapore Dollar	1,850	1,850	4,026	3,904	9 May to 27 June 2003



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Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions. All other exchange gains and losses relating to hedge instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items. Gains and losses on contracts that are no longer designated as hedges are included in the income statement.

Forward foreign exchange contracts are used to cover confirmed foreign currency receipts and payments of the Group. The maturity period for each contract depends on the terms of receipts or payments agreed with our trade customers and suppliers. The purpose of hedging is to preserve the values of trade receivables and payables against market risk.

The Group does not foresee any significant credit and market risks associated with the above forward foreign exchange contracts as these contracts are entered into with credit worthy financial institutions.

Besides a small fee, there are no other cash requirements for the above forward foreign exchange contracts.

23. Material litigation

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



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24. Dividend

	6 months period ended 31 October 2002		6 months period ended 31 October 2001	
	Gross dividend per share sen	Amount of dividend net of 28% tax, where applicable RM'000	Gross dividend per share sen	Amount of dividend net of 28% tax, where applicable RM'000
Final tax exempt dividend approved by shareholders in respect of the year ended 30 April 2002, payable on 26 February 2003	208.38	8,109	-	-
Final tax exempt dividend approved by shareholders, in respect of the year ended 30 April 2001, paid on 15 November 2001	-	-	256.98	10,000
Final dividend approved by shareholders, in respect of the year ended 30 April 2001, paid on 15 November 2001	-	-	70.24	1,968
	<hr/>	<hr/>	<hr/>	<hr/>
	208.38	8,109	327.22	11,968
Interim tax exempt dividend declared, in respect of the year ended 30 April 2002, paid on 30 August 2002	-	-	100.00	3,891
	<hr/>	<hr/>	<hr/>	<hr/>

On 26 February 2003, the Company declared an interim tax-exempt dividend amounting to RM6,000,000 for the financial year ending 30 April 2003. This dividend was paid to the shareholders who were registered as members of the Company as at 11 February 2003, on 26 February 2003.



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25. Earnings per share

	3 months period ended		Period to date 6 months period ended	
	31 October 2002	2001	31 October 2002	2001
Net profit attributable to shareholders (RM'000)	7,484	7,314	15,242	13,507
Number of ordinary shares of RM1.00 each in issue ('000)	3,891	3,891	3,891	3,891
Basic earnings per share (sen)	192.3	188.0	391.7	347.1
Enlarged number of ordinary shares of RM0.10 each assumed in issue ('000)	624,000	624,000	624,000	624,000
Pro forma basic earnings per share (sen)	1.2	1.2	2.4	2.2