



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2003

### CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Year Quarter 31 October 2003	Preceding Year Corresponding Quarter (Restated) 31 October 2002	Current Year To Date 31 October 2003	Preceding Year Corresponding Period (Restated) 31 October 2002
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>51,335</b>	<b>47,297</b>	<b>101,146</b>	<b>92,761</b>
<b>Operating profit</b>	<b>9,028</b>	<b>10,277</b>	<b>18,522</b>	<b>20,804</b>
Interest expense	(273)	(182)	(532)	(357)
Interest income	2	2	4	4
<b>Profit before taxation</b>	<b>8,757</b>	<b>10,097</b>	<b>17,994</b>	<b>20,451</b>
Taxation	(1,084)	(2,606)	(3,095)	(5,209)
<b>Profit after taxation</b>	<b>7,673</b>	<b>7,491</b>	<b>14,899</b>	<b>15,242</b>
Minority interests	(20)	(27)	(44)	(40)
<b>Net profit for the period</b>	<b>7,653</b>	<b>7,464</b>	<b>14,855</b>	<b>15,202</b>
Basic earnings per ordinary share (sen)	1.2	1.2	2.4	2.4

*The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2003.*

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



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**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2003**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	(Unaudited) As at 31 October 2003	(Audited) As at 30 April 2003 (Restated)
	RM'000	RM'000
<b>PROPERTY, PLANT AND EQUIPMENT</b>	123,954	116,240
<b>OTHER INVESTMENTS</b>	104	104
	<u>124,058</u>	<u>116,344</u>
<b>CURRENT ASSETS</b>		
Inventories	17,181	17,528
Trade receivables	32,899	32,656
Other receivables	7,309	3,503
Cash and bank balances	6,740	6,585
	<u>64,129</u>	<u>60,272</u>
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	419	385
Borrowings	32,704	30,349
Trade payables	11,858	10,455
Other payables	12,403	12,905
Tax payable	124	727
	<u>57,508</u>	<u>54,821</u>
<b>NET CURRENT ASSETS</b>	6,621	5,451
	<u>130,679</u>	<u>121,795</u>
<b>FINANCED BY:</b>		
Share capital	62,400	62,400
Reserves	55,216	46,361
Shareholders' equity	117,616	108,761
Minority interest	657	613
	<u>118,273</u>	<u>109,374</u>
Borrowings	300	364
Deferred tax liabilities	11,934	11,872
Reserve on consolidation	172	185
Non current liabilities	12,406	12,421
	<u>130,679</u>	<u>121,795</u>
NTA per share based on ordinary shares of RM0.10 per each (RM)	<u>0.19</u>	<u>0.17</u>

*The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 April 2003*

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



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2003

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Six Months Ended 31 October 2003

	Share Capital RM'000	← Non-distributable →		Capital Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
		Share Premium RM'000	Revaluation Reserve RM'000			
At 1 May 2003						
As previously stated	62,400	-	7,863	-	38,935	109,198
Prior year adjustment	-	-	-	-	(437)	(437)
As restated	62,400	-	7,863	-	38,498	108,761
Net profit for the period	-	-	-	-	14,855	14,855
Dividend	-	-	-	-	(6,000)	(6,000)
<b>At 31 October 2003</b>	<b>62,400</b>	<b>-</b>	<b>7,863</b>	<b>-</b>	<b>47,353</b>	<b>117,616</b>

Six Months Ended 31 October 2002

	Share Capital RM'000	← Non-distributable →		Capital Reserve RM'000	Distributable Retained Profit RM'000	Total RM'000
		Share Premium RM'000	Revaluation Reserve RM'000			
At 1 May 2002						
As previously stated	3,891	318	19,396	17,117	45,807	86,529
Prior year adjustment	-	-	-	-	7,752	7,752
As restated	3,891	318	19,396	17,117	53,559	94,281
Net profit for the period	-	-	-	-	15,202	15,202
Dividend	-	-	-	-	(8,109)	(8,109)
<b>At 31 October 2002</b>	<b>3,891</b>	<b>318</b>	<b>19,396</b>	<b>17,117</b>	<b>60,652</b>	<b>101,374</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 2003*

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**INTERIM FINANCIAL REPORT  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

(The figures have not been audited)

	<b>6 months Ended 31 October 2003 RM'000</b>	<b>6 months Ended 31 October 2002 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	22,253	25,671
Tax paid	(3,831)	(2,730)
Interest paid	(532)	(357)
Net cash generated from operating activities	<u>17,890</u>	<u>22,584</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(13,847)	(15,470)
Interest received	4	4
Proceeds from disposal of plant and equipment	150	232
Net cash used in investing activities	<u>(13,693)</u>	<u>(15,234)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in bank borrowings	3,436	4,061
Repayment of hire-purchases	(114)	(16)
Repayment of term loans	(1,364)	(813)
Dividend paid	(6,000)	(8,364)
Net cash used in financing activities	<u>(4,042)</u>	<u>(5,132)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	155	2,218
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	6,585	2,940
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>6,740</u>	<u>5,158</u>
Cash and cash equivalents in the consolidated cash flow statement comprise:		
Cash and bank balances	6,740	5,158
	<u>6,740</u>	<u>5,158</u>

*The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2003*

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2003

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### 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 un-audited 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 2003. 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 2003.

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 2003, except for the adoption of MASB 25 to MASB 27, which became effective from 1 July 2002 and MASB 28 and MASB 29 which became effective from 1 January 2003. The adoption of MASB 27 and MASB 28 have not given rise to any adjustments to the opening balances of retained profits of the prior year and the current period or to changes in comparatives. The changes and effects of adopting MASB 25 and MASB 29 which resulted in prior year adjustments are as follows:

(a) Change in Accounting Policies

(i) MASB 25: Income Taxes

Under MASB 25, deferred tax liabilities are recognized for all taxable temporary differences. Previously, deferred tax liabilities were provided for on account of timing differences only to the extent that a tax liability was expected to materialize in the foreseeable future. In addition, the Group and the Company have commenced recognition of deferred tax assets for all deductible temporary differences, when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilized. Previously, deferred tax assets were not recognized unless there was reasonable expectation of their realization.

(ii) MASB 29: Employee Benefits

The adoption of MASB 29 resulted in the Group and the Company making provisions for obligations in respect of short term employee benefits in the form of accumulated compensated absences. These obligations were not provided for prior to the adoption of MASB 29.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2003

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### (b) Prior Year Adjustments

The changes in accounting policies have been applied retrospectively and comparatives have been restated. The effects of changes in accounting policies are as follows:

	Financial year 2004 RM'000	Financial year 2003 RM'000
Effect on retained profits:		
- At 1 May, as previously reported	38,935	45,807
Effect of adopting MASB 19	-	8,109
Effect of adopting MASB 29	(520)	(416)
Deferred tax impact arising there from	83	59
- At 1 May, as restated	<u>38,498</u>	<u>53,559</u>
Effect on net profit for the quarter:		
Net profit before changes in accounting policy	7,701	7,484
Effect of adopting MASB 29	(52)	(26)
Deferred tax impact arising there from	4	6
Net profit for the quarter	<u>7,653</u>	<u>7,464</u>
Effect on net profit for the period:		
Net profit before changes in accounting policy	14,946	15,242
Effect of adopting MASB 29	(102)	(52)
Deferred tax impact arising there from	11	12
Net profit for the quarter	<u>14,855</u>	<u>15,202</u>

#### 2. Audit qualification

The auditors' report on the financial statements for the year ended 30 April 2003 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.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2003

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 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 period.

#### 6. Debt and equity securities

There was 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.

#### 7. Dividends paid

A final tax exempt dividend in respect of the financial year ended 30 April 2003, of approximately 9.62% on 624,000,000 ordinary shares of RM0.10 each, amounting to RM6,000,000 (approximately 0.96 sen net per share) which was approved by the shareholders at the Annual General Meeting held on 26 September 2003, was paid on 17 October 2003.

#### 8. Segment information

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

#### 6 months ended 31 Oct 2003

	<b>Revenue RM'000</b>	<b>Segment results RM'000</b>
Manufacturing	85,677	17,228
Trading	96,812	1,346
Corporate expenses	-	(52)
Amalgamated	182,489	18,522
Inter-segment elimination	(81,343)	-
Consolidated revenue/profit from operations	101,146	18,522
Finance costs, net	-	(528)
Consolidated revenue/profit before taxation	101,146	17,994



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2003

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### NOTES TO THE INTERIM FINANCIAL REPORT

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 annual financial statements for the year ended 30 April 2003. The carrying value is based on a valuation carried out in September 2001 by independent qualified valuers less depreciation.

During the six months period, the acquisition and disposal of property, plant and equipment amounted to RM14.2 million and RM0.1 million respectively.

#### 10. Material events subsequent to the balance sheet date

There were no material events subsequent to the end of the financial period ended 31 October 2003 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.

#### 12. Changes in contingent liabilities or contingent assets

The contingent liabilities of the Company are as follows:

	As at 31.10.2003 RM'000	As at 30.4.2003 RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	<u>32,367</u>	<u>30,231</u>





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### **INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2003**

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

#### **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 quarter under review, the Group recorded revenue of RM51.3 million and profit before taxation of RM8.8 million as compared to revenue of RM47.3 million and profit before taxation of RM10.1 million for the corresponding quarter in the preceding year.

The increase in revenue of RM4.0m as compared with the corresponding quarter in the preceding year is contributed by sales of new product, sanitary napkins which was launched in the last quarter of previous financial year ended 30 April 2003 and growth in the sales of tissue products.

The decrease in profit before taxation of RM1.3 million as compared with the corresponding quarter in the preceding year is mainly due to increase in prices of paper related raw materials.

##### **14. Variation of results against preceding quarter**

Revenue for the quarter under review has increased to RM51.3 million compared to RM49.8 million for the preceding quarter. Profit before taxation has decreased from RM9.2 million in the preceding quarter to RM8.8 million in the current quarter.

The decrease in profit before taxation is mainly due to the expenses incurred on the promotional activities carried out on some of the Company's products in the current quarter.

##### **15. Current year prospect**

The Board of Directors is optimistic that the Group will be able to achieve satisfactory performance in the financial year ending 30 April 2004 in the light of challenging market conditions.

##### **16. Variance of actual profit from profit forecast**

Not applicable.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2003

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 17. Taxation

	Current Quarter 3 months ended 31 Oct 2003 RM'000	Year-to-date 6 months ended 31 Oct 2003 RM'000
Income tax		
Current year	921	3,033
	<hr/>	<hr/>
	921	3,033
Deferred tax	163	62
	<hr/>	<hr/>
	1,084	3,095
	<hr/> <hr/>	<hr/> <hr/>

The Group's effective tax rate for 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 were no purchases or disposals of unquoted investments or disposal of properties for the current financial period.

#### 19. Quoted security

There were no purchases or disposals of quoted securities for the current financial period.

#### 20. Status on corporate proposals

Not applicable.

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**INTERIM FINANCIAL REPORT  
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**NOTES TO THE INTERIM FINANCIAL REPORT****21. Group borrowings, secured**

	<b>31 October 2003</b>
	<b>RM'000</b>
<b>Current</b>	
Bankers' acceptance	20,468
Export credit refinancing	11,684
Hire purchase payables	241
Term loans	311
	<u>32,704</u>
<b>Non-current</b>	
Long term loan	<u>300</u>

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 13 December 2003, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

<b>Foreign Currency</b>	<b>Contract Amount FC '000</b>	<b>Outstanding Contract Amount FC '000</b>	<b>Outstanding Contract Amount RM'000</b>	<b>Fair Value RM'000</b>	<b>Maturity Date</b>
<i>Bank Buy</i>					
Singapore Dollar	2,060	2,046	4,491	4,488	17 September 2003 – 11 November 2003
<i>Bank Sell</i>					
Euro	3,420	3,420	14,065	16,043	15 January 2004 & 15 May 2004



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#### NOTES TO THE INTERIM FINANCIAL REPORT

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.

#### **24. Dividend**

A final tax exempt dividend in respect of the financial year ended 30 April 2003, of approximately 9.62% on 624,000,000 ordinary shares of RM0.10 each, in respect of the financial year ended 30 April 2003, amounting to RM6,000,000 (approximately 0.96 sen net per share) which was approved by the shareholders at the Annual General Meeting held on 26 September 2003, was paid on 17 October 2003.

In the corresponding financial period ended 31 October 2002, a final tax exempt dividend of 208.38% on 3,891,299 ordinary shares of RM1.00 each, in respect of the financial year ended 30 April 2002, amounting to RM8,108,701 which was approved by shareholders at the Annual General Meeting held on 31 October 2002, was paid on 26 February 2003.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

**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>6 Months Period Ended</b>	
	<b>31 Oct</b>		<b>31 Oct</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Net profit attributable to shareholders (RM'000)	7,653	7,464	14,855	15,202
Number of ordinary shares of RM0.10 each in issue ('000)	624,000	624,000	624,000	624,000
Basic earnings per share (sen)	1.2	1.2	2.4	2.4

**By Order of the Board**

**Company Secretary**

**DATED THIS 19 DECEMBER 2003**