



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2004

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 2004	31 July 2003	31 July 2004	31 July 2003
	RM'000	RM'000	RM'000	RM'000
Revenue	52,398	49,811	52,398	49,811
Operating profit	7,398	9,493	7,398	9,493
Interest expense	(380)	(259)	(380)	(259)
Interest income	2	2	2	2
Profit before taxation	7,020	9,236	7,020	9,236
Taxation	(340)	(2,011)	(340)	(2,011)
Profit after taxation	6,680	7,225	6,680	7,225
Minority interests	(15)	(23)	(15)	(23)
Net profit for the period	6,665	7,202	6,665	7,202
Basic earnings per ordinary share (sen)	1.1	1.2	1.1	1.2

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2004.

The accompanying notes are an integral part of this statement.

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2004**

CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) As at 31 July 2004	(Audited) As at 30 April 2004
	RM'000	RM'000
PROPERTY, PLANT AND EQUIPMENT	152,014	141,325
OTHER INVESTMENTS	84	84
	<u>152,098</u>	<u>141,409</u>
CURRENT ASSETS		
Inventories	22,349	22,635
Trade receivables	36,481	34,288
Other receivables	3,110	2,932
Cash and bank balances	5,027	8,091
	<u>66,967</u>	<u>67,946</u>
CURRENT LIABILITIES		
Retirement benefit obligations	483	471
Borrowings	34,787	32,104
Trade payables	13,453	13,731
Other payables	10,172	12,991
Tax payable	60	686
	<u>58,955</u>	<u>59,983</u>
NET CURRENT ASSETS	8,012	7,963
	<u>160,110</u>	<u>149,372</u>
FINANCED BY:		
Share capital	62,400	62,400
Reserves	75,481	68,816
Shareholders' equity	137,881	131,216
Minority interest	698	683
	<u>138,579</u>	<u>131,899</u>
Borrowings	9,692	4,982
Deferred tax liabilities	11,687	12,332
Reserve on consolidation	152	159
Non current liabilities	21,531	17,473
	<u>160,110</u>	<u>149,372</u>
NTA per share based on ordinary shares of RM0.10 per each (RM)	<u>0.22</u>	<u>0.21</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 April 2004.



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Three Months Ended 31 July 2004

	Share Capital	Non-distributable Revaluation Reserve	Distributable Retained profits	Total
	RM'000	RM'000	RM'000	RM'000
At 1 May 2004	62,400	7,863	60,953	131,216
Net profit for the period	-	-	6,665	6,665
At 31 July 2004	-	-	6,665	6,665

Three Months Ended 31 July 2003

	Share Capital	Non-distributable Revaluation Reserve	Distributable Retained profit	Total
	RM'000	RM'000	RM'000	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			7,202	7,202
At 31 July 2003	62,400	7,863	45,700	115,963

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2004.

The accompanying notes are an integral part of this statement.

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INTERIM FINANCIAL REPORT
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(The figures have not been audited)

	3 months Ended	3 months Ended
	31 July 2004	31 July 2003
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	5,487	6,850
Tax paid	(1,537)	(2,199)
Interest paid	(380)	(259)
Net cash generated from operating activities	<u>3,570</u>	<u>4,392</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,065)	(10,712)
Interest received	2	2
Proceeds from disposal of plant and equipment	37	98
Net cash used in investing activities	<u>(14,026)</u>	<u>(10,612)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in bank borrowings	(46)	3,068
Repayment of hire-purchases	(70)	(34)
Drawdown of term loans	7,771	-
Repayment of term loans	(263)	(692)
Net cash generated from financing activities	<u>7,392</u>	<u>2,342</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,064)	(3,878)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	8,091	6,585
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	<u>5,027</u>	<u>2,707</u>
Cash and cash equivalents in the consolidated cash flow statement comprise:		
Cash and bank balances	5,027	1,307
Deposits with licensed bank	-	1,400
	<u>5,027</u>	<u>2,707</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2004.

The accompanying notes are an integral part of this statement.



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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2004

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 Bursa Malaysia Securities Berhad (BMSB) 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 2004. 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 2004.

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 2004, except for the adoption of MASB 31 and MASB 32, which became effective from 1 January 2004. The adoption of MASB 31 and MASB 32 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.

2. Audit qualification

The auditors' report on the financial statements for the year ended 30 April 2004 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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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

There is no dividend paid during the current financial period.

8. Segment information

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

3 months ended 31 July 2004

	Revenue RM'000	Segment results RM'000
Manufacturing	43,958	7,790
Trading	52,629	731
Others	-	(1,130)
Amalgamated	<u>96,587</u>	<u>7,391</u>
Inter-segment elimination/	<u>(44,189)</u>	<u>7</u>
Consolidated revenue/profit from operations	52,398	7,398
Finance costs, net	-	(378)
Consolidated revenue/profit before taxation	<u>52,398</u>	<u>7,020</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.



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NOTES TO THE INTERIM FINANCIAL REPORT

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 2004. The carrying value is based on a valuation carried out in September 2001 by independent qualified valuers less depreciation.

During the three months period, the acquisition and disposal of property, plant and equipment amounted to RM14.07 million and RM0.04 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 July 2004 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 31.7.2004 RM'000	As at 30.4.2004 RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	44,141	36,656



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NOTES TO THE INTERIM FINANCIAL REPORT

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

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

For the quarter under review, the Group recorded revenue of RM52.4 million and profit before taxation of RM7.0 million as compared to revenue of RM49.8 million and profit before taxation of RM9.2 million for the corresponding quarter in the preceding year.

The increase in revenue of RM2.6million as compared with the corresponding quarter in the preceding year is contributed by the continual growth of tissue products and sanitary napkins.

The decrease in profit before taxation of RM2.2 million as compared with the corresponding quarter in the preceding year is mainly due to increase in prices of raw materials.

14. Variation of results against preceding quarter

Revenue for the quarter under review has increased from RM49.3 million recorded in the preceding quarter to RM52.4 million in the current quarter mainly due to increase in sales of tissue products and sanitary napkins.

Profit before taxation has decreased from RM8.1 million in the preceding quarter to RM7.0 million in the current quarter mainly due to realised gain on foreign exchange contract of approximately RM1.2 million and bad debts recovered of RM0.7 million being recorded in the preceding quarter.

15. Current year prospects

The Board of Directors is optimistic that the Group will be able to achieve satisfactory performance in the financial year ending 30 April 2005.

16. Variance of actual profit from profit forecast

Not applicable.



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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2004

NOTES TO THE INTERIM FINANCIAL REPORT

17. Taxation

	Current Quarter 3 months ended 31 July 2004 RM'000	Year -to-date 3 months ended 31 July 2004 RM'000
Income tax		
Current period	985	985
	<hr/>	<hr/>
Deferred tax	(645)	(645)
	<hr/>	<hr/>
	<u>340</u>	<u>340</u>

The Group's effective tax rate for the financial period 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.

The investigation unit of the Inland Revenue Board commenced a detailed inquiry into the tax affairs of the Group in prior year and to date the Inland Revenue Board has yet to raise any issues for the Group to address.

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.



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NOTES TO THE INTERIM FINANCIAL REPORT

20. Status on corporate proposals

Not applicable.

21. Group borrowings, secured

	31 July 2004 RM'000
Current	
Bankers' acceptance	18,068
Export credit refinancing	7,661
Export loan	3,653
Hire purchase payables	7
Term loans	5,398
	<u>34,787</u>
Non-current	
Long term loan	<u>9,692</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 10 September 2004, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

Foreign Currency	Contract Amount FC '000	Outstanding Contract Amount FC '000	Fair Value RM'000	Maturity Date
<i>Bank Buy</i> Singapore Dollar	3,040	3,040	6,726	6,679
				13 September 2004 – 11 December 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

The proposed first and final tax exempt dividend in respect of the financial year ended 30 April 2004, of approximately 19.23% on 624,000,000 ordinary shares of RM0.10 each, amounting to RM12,000,000 (approximately 1.92 sen net per share) has been approved by the shareholders at the Annual General Meeting held on 17 September 2004.

The financial statements for the current financial period do not reflect this proposed dividend. The dividend will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial period ending 31 October 2004 in accordance with MASB 19 : Events After The Balance Sheet Date.

25. Earnings per share

Basic earnings per share

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



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NOTES TO THE INTERIM FINANCIAL REPORT

	3 Months Period Ended		3 Months Period Ended	
	31 July		31 July	
	2004	2003	2004	2003
Net profit attributable to shareholders (RM'000)	6,665	7,202	6,665	7,202
Weighted average number of ordinary shares of RM0.10 each in issue (‘000)	624,000	624,000	624,000	624,000
Basic earnings per share (sen)	1.1	1.2	1.1	1.2