



# NTPM HOLDINGS BERHAD

(Company No. 384662 U)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2005

### 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 2005	31 July 2004	31 July 2005	31 July 2004
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>54,945</b>	<b>52,398</b>	<b>54,945</b>	<b>52,398</b>
<b>Operating profit</b>	<b>2,987</b>	<b>7,398</b>	<b>2,987</b>	<b>7,398</b>
Interest expense	(600)	(380)	(600)	(380)
Interest income	1	2	1	2
<b>Profit before taxation</b>	<b>2,388</b>	<b>7,020</b>	<b>2,388</b>	<b>7,020</b>
Taxation	(1,456)	(340)	(1,456)	(340)
<b>Profit after taxation</b>	<b>932</b>	<b>6,680</b>	<b>932</b>	<b>6,680</b>
Minority interests	(8)	(15)	(8)	(15)
<b>Net profit for the period</b>	<b>924</b>	<b>6,665</b>	<b>924</b>	<b>6,665</b>
Basic earnings per ordinary share (sen)	0.1	1.1	0.1	1.1

*The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2005.*

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

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**INTERIM FINANCIAL REPORT  
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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	(Unaudited) As at 31 July 2005	(Audited) As at 30 April 2005
	RM'000	RM'000
<b>PROPERTY, PLANT AND EQUIPMENT</b>	173,473	172,640
<b>OTHER INVESTMENTS</b>	63	63
	<u>173,536</u>	<u>172,703</u>
<b>CURRENT ASSETS</b>		
Inventories	25,554	25,312
Trade receivables	38,372	37,708
Other receivables	7,696	7,013
Cash and bank balances	8,881	7,955
	<u>80,503</u>	<u>77,988</u>
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	28	28
Borrowings	62,338	60,938
Trade payables	14,024	11,963
Other payables	13,969	14,293
	<u>90,359</u>	<u>87,222</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	(9,856)	(9,234)
	<u>163,680</u>	<u>163,469</u>
<b>FINANCED BY:</b>		
Share capital	62,400	62,400
Reserves	86,185	85,261
Shareholders' equity	148,585	147,661
Minority interest	746	738
	<u>149,331</u>	<u>148,399</u>
Borrowings	4,110	5,359
Deferred tax liabilities	9,579	9,062
Retirement benefit obligations	547	530
Reserve on consolidation	113	119
Non current liabilities	14,349	15,070
	<u>163,680</u>	<u>163,469</u>
NTA per share based on ordinary shares of RM0.10 per each (RM)	<u>0.24</u>	<u>0.24</u>

*The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 April 2005.*

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2005

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### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Three Months Ended 31 July 2005

	Share Capital RM'000	Non-distributable Revaluation Reserve RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 May 2005	62,400	7,863	77,398	147,661
Net profit for the period	-	-	924	924
<b>At 31 July 2005</b>	<b>62,400</b>	<b>7,863</b>	<b>78,322</b>	<b>148,585</b>

Three Months Ended 31 July 2004

	Share Capital RM'000	Non-distributable Revaluation Reserve RM'000	Distributable Retained profit RM'000	Total RM'000
At 1 May 2004	62,400	7,863	60,953	131,216
Net profit for the period	-	-	6,665	6,665
<b>At 30 July 2004</b>	<b>62,400</b>	<b>7,863</b>	<b>67,618</b>	<b>137,881</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 2005.*

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

(The figures have not been audited)

	<b>3 months Ended 31 July 2005 RM'000</b>	<b>3 months Ended 31 July 2004 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	7,558	5,487
Tax paid	(872)	(1,537)
Interest paid	(600)	(380)
Net cash generated from operating activities	<u>6,086</u>	<u>3,570</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5,389)	(14,065)
Interest received	1	2
Proceeds from disposal of plant and equipment	78	37
Net cash used in investing activities	<u>(5,310)</u>	<u>(14,026)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in bank borrowings	1,499	(46)
Repayment of hire-purchases	-	(70)
Drawdown of term loans	-	7,771
Repayment of term loans	(1,349)	(263)
Net cash generated from financing activities	<u>150</u>	<u>7,392</u>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	926	(3,064)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	7,955	8,091
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	<u>8,881</u>	<u>5,027</u>
Cash and cash equivalents in the consolidated cash flow statements comprise:		
Cash and bank balances	8,881	5,027
	<u>8,881</u>	<u>5,027</u>

*The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2005.*

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2005

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### PART A: REQUIREMENTS OF FRS 134 - INTERIM FINANCIAL REPORTING

##### 1. Basis of preparation

The interim financial report is un-audited and has been prepared in compliance with FRS 134: 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 2005. 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 2005.

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 2005.

##### 2. Audit qualification

The auditors' report on the financial statements for the year ended 30 April 2005 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 quarter except for the provision for the additional assessment on prior years' income and tax penalties as disclosed in Note 12.

##### 5. 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 2005

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 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. Dividend paid

No dividend has been paid during the quarter under review.

#### 8. Segment information

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

**3 months ended 31 July 2005**

	<b>Revenue RM'000</b>	<b>Segment results RM'000</b>
Manufacturing	44,639	5,217
Trading	55,658	(2,328)
Others	1,267	98
Amalgamated	101,564	2,987
Inter-segment elimination	(46,619)	-
Consolidated revenue/profit from operations	54,945	2,987
Finance costs, net	-	(599)
Consolidated revenue/profit before taxation and minority interest	54,945	2,388

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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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2005

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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 2005. 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 RM5.39 million and RM0.01 million respectively.

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

There were no material events subsequent to the end of the financial year ended 30 April 2005 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 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:

	<b>As at 31.7.2005</b>	<b>As at 30.4.2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	66,448	66,297

During the previous financial year, the investigation unit of the Inland Revenue Board (IRB) has commenced detailed inquiries into the prior years' tax affairs of certain subsidiaries of the Group. During the current quarter, the Group has made a provision for the additional assessment on prior years' income and tax penalties which may arise from these detailed inquiries. The information usually required to be disclosed by FRS137 Provisions, Contingent Liabilities and Contingent Assets are however not disclosed on the grounds that such disclosures can be expected to prejudice the outcome of the ongoing discussions with the IRB.



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### **INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2005**

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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 RM54.95 million and profit before taxation of RM2.39 million as compared to revenue of RM52.40 million and profit before taxation of RM7.02 million for the corresponding quarter in the preceding year.

The increase in revenue of RM2.55 million as compared with the corresponding quarter in the preceding year is contributed by the continued growth in sales of tissue products and personal care products.

The decrease in profit before taxation of RM4.632 million as compared with the corresponding quarter in the preceding year is mainly due to increase in the cost of production overheads, delivery costs, advertising and promotion costs, interest expense and provision for tax penalties as disclosed in Note 12.

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

Revenue for the quarter under review has increased from RM50.81 million recorded in the preceding quarter to RM54.95 million in the current quarter mainly due to increase in sales of tissue products and personal care products.

The Group's profit before taxation decreased from RM4.83 million in the previous financial quarter ended 30 April 2005 to RM2.39 million in the current financial quarter ended 31 July 2005 mainly due to increase in cost of production overheads, delivery costs, advertising and promotion costs, interest expense and provision for tax penalties as disclosed in Note 12.

##### **15. Prospects**

The Board of Directors is optimistic that the Group will be able to achieve satisfactory performance in the financial year ending 30 April 2006.

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

Not applicable.





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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2005

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 17. Taxation

	Current Quarter 3 months ended 31 July 2005 RM'000	Year-to-date 3 months ended 31 July 2005 RM'000
Income tax		
Current period	538	538
Prior periods	400	400
Deferred tax	518	518
	<u>1,456</u>	<u>1,456</u>

The Group's effective tax rate for the current quarter/ year to date is higher than the statutory tax rate principally due to certain expenses being not deductible for tax purposes.

#### 18. Unquoted investments and/or properties

There were no purchases or disposals of unquoted investments or disposal of properties for the current financial period except for the following:

On 19 July 2005, a subsidiary has entered into a Sale and Purchase Agreement for the sale of a vacant piece of land known as GM253, Lot No. 3387, Mukim Petaling, Daerah Petaling, Negeri Selangor for a total consideration of RM3,972,672.00. As at 31 July 2005, the subsidiary has received RM397,267.00 as deposit.

#### 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 FOR THE FINANCIAL PERIOD ENDED 31 JULY 2005

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 21. Group borrowings, unsecured

	31 July 2005 RM'000
<b>Current</b>	
Bankers' acceptance	46,242
Export credit refinancing	10,799
Term loans	5,297
	<u>62,338</u>
<b>Non-current</b>	
Long term loan	<u>4,110</u>

The above borrowings are denominated in Ringgit Malaysia.

#### 22. Off balance sheet 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 9 September 2005, 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	RM'000	Fair Value RM'000	Maturity Date
<i>Bank Buy</i>					
Singapore Dollar	3,630	3,630	8,194	8,095	15 September 2005 – 12 December 2005
Australian Dollar	905	905	2,654	2,561	30 September 2005 – 3 January 2006

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.



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### **INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2005**

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

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 2005, 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 16 September 2005.

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 2005 in accordance with FRS 110 : Events After The Balance Sheet Date.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2005

### 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 by the weighted average number of ordinary shares during the financial quarter.

	3 Months Period Ended		3 Months Period Ended	
	31 July		31 July	
	2005	2004	2005	2004
Net profit attributable to shareholders (RM'000)	924	6,665	924	6,665
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)	0.1	1.1	0.1	1.1

DATED THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2005