



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

### 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 2008	31 July 2007 (restated)	31 July 2008	31 July 2007 (restated)
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>87,283</b>	<b>73,071</b>	<b>87,283</b>	<b>73,071</b>
<b>Operating profit</b>	<b>13,367</b>	<b>9,038</b>	<b>13,367</b>	<b>9,038</b>
Interest income	16	11	16	11
Interest expense	(540)	(577)	(540)	(577)
<b>Profit before taxation</b>	<b>12,843</b>	<b>8,472</b>	<b>12,843</b>	<b>8,472</b>
Taxation	(2,614)	(1,520)	(2,614)	(1,520)
<b>Profit after taxation</b>	<b>10,229</b>	<b>6,952</b>	<b>10,229</b>	<b>6,952</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	10,259	6,955	10,259	6,955
Minority interest	(30)	(3)	(30)	(3)
	<b>10,229</b>	<b>6,952</b>	<b>10,229</b>	<b>6,952</b>
Basic/Diluted earnings per ordinary share (sen)	1.6	1.1	1.6	1.1

*The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2008.*

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

**NTPM HOLDINGS BERHAD**

(Company No. 38462 U)  
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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008****CONDENSED CONSOLIDATED BALANCE SHEETS**

	(Unaudited) As at 31 July 2008	(Audited) As at 30 April 2008 (restated)
	<u>RM'000</u>	<u>RM'000</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	176,083	176,062
PREPAID LEASE PAYMENTS	838	843
OTHER INVESTMENTS	-	-
DEFERRED TAX ASSETS	376	337
	<u>177,297</u>	<u>177,242</u>
<b>CURRENT ASSETS</b>		
Inventories	49,145	48,205
Trade receivables	54,043	49,283
Other receivables	6,266	4,274
Cash and bank balances	11,280	12,569
	<u>120,734</u>	<u>114,331</u>
<b>TOTAL ASSETS</b>	<u>298,031</u>	<u>291,573</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
SHARE CAPITAL	62,400	62,400
RESERVES	131,533	121,168
	<u>193,933</u>	<u>183,568</u>
MINORITY INTEREST	567	597
<b>TOTAL EQUITY</b>	<u>194,500</u>	<u>184,165</u>
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	11,363	12,412
DEFERRED TAX LIABILITIES	15,626	14,604
RETIREMENT BENEFIT OBLIGATIONS	733	714
	<u>27,722</u>	<u>27,730</u>
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	27	27
Borrowings	34,333	27,689
Dividend payable	-	12,168
Trade payables	20,187	17,723
Other payables	20,645	20,950
Tax payable	617	1,121
	<u>75,809</u>	<u>79,678</u>
<b>TOTAL LIABILITIES</b>	<u>103,531</u>	<u>107,408</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>298,031</u>	<u>291,573</u>
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	<u>0.31</u>	<u>0.29</u>

*The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Report for the year ended 30 April 2008.*

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



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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(The figures have not been audited)

	← Attributable to equity holders of the parent →				Minority Interest	Total Equity
	Share Capital	Non-distributable Revaluation Reserve	Distributable Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000		
Three Months Ended 31 July 2008						
At 1 May 2008, as previously stated	62,400	21,353	97,636	181,389	597	181,986
Prior year adjustment - effects of adopting revised FRS 112	-	-	2,179	2,179	-	2,179
At 1 May 2008, as restated	62,400	21,353	99,815	183,568	597	184,165
Foreign currency translation, representing net income recognised directly in equity carried forward	-	106	-	106	-	106
Net profit for the period			10,259	10,259	(30)	10,229
Total recognised income & expense for the period	-	106	10,259	10,365	(30)	10,335
<b>At 31 July 2008</b>	<b>62,400</b>	<b>21,459</b>	<b>110,074</b>	<b>193,933</b>	<b>567</b>	<b>194,500</b>
Three Months Ended 31 July 2007						
At 1 May 2007, as previously stated	62,400	21,273	87,768	171,441	555	171,996
Prior year adjustment - effects of adopting revised FRS 112	-	-	2,573	2,573	-	2,573
At 1 May 2007, as restated	62,400	21,273	90,341	174,014	555	174,569
Foreign currency translation, representing net income recognised directly in equity carried forward	-	198	-	198	-	198
Net profit for the period, representing total recognised income & expense for the period (as restated)	-	-	6,955	6,955	(3)	6,952
<b>At 31 July 2007</b>	<b>62,400</b>	<b>21,471</b>	<b>97,296</b>	<b>181,167</b>	<b>552</b>	<b>181,719</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 2008

The accompanying notes are an integral part of this statement.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

### CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(The figures have not been audited)

	<b>3 months Ended</b> <b>31 July 2008</b> <b>RM'000</b>	<b>3 months Ended</b> <b>31 July 2007</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	12,337	13,763
Tax paid	(1,969)	(2,254)
Interest paid	(540)	(577)
Net cash generated from operating activities	<u>9,828</u>	<u>10,932</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,643)	(5,558)
Interest received	16	11
Proceeds from disposal of plant and equipment	-	69
Net cash used in investing activities	<u>(4,627)</u>	<u>(5,478)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in bank borrowings	6,783	2,422
Repayment of term loans	(1,114)	(1,773)
Dividend paid	(12,168)	(9,048)
Net cash used in financing activities	<u>(6,499)</u>	<u>(8,399)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,298)	(2,945)
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	9	32
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	12,569	12,666
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	<u>11,280</u>	<u>9,753</u>
Cash and cash equivalents in the consolidated cash flow statements comprise:		
Cash and bank balances	11,280	9,753
	<u>11,280</u>	<u>9,753</u>

*The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2008.*

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



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

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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<sub>2004</sub> 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 2008. 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 year ended 30 April 2008.

##### 2. Changes In Accounting Policies

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 2008, except for the adoption of the following new or revised Financial Reporting Standards (“FRSs”), amendment to FRS and Interpretations effective for financial periods beginning on or after 1 July 2007 :

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 <sub>2004</sub> - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

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### NOTES TO THE INTERIM FINANCIAL REPORT

As at the date of authorisation of the interim financial report, FRS 139: Financial Instruments: Recognition and Measurement was in issue but not yet effective. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

The adoption of the above new and revised FRS, amendments to FRS and Interpretations do not have a significant impact on the financial statements of the Group except for FRS 112. The principal effects of the changes in accounting policies resulting from the adoption of FRS 112 are discussed below:

Prior to 1 May 2008, the Group did not recognise deferred tax assets on unused reinvestment allowances as required by paragraph 36 of FRS112<sub>2004</sub> Income Taxes. Under the revised FRS 112 Income Taxes, the Group had recognised deferred tax asset on such unused reinvestment allowances to the extent that it is probable that future taxable profit will be available against which the unused reinvestment allowances can be utilised. The financial impact to the Group arising from this change in accounting policy is as follows:

	<b>3 months ended</b>	
	<b>31 July 2008</b>	<b>31 July 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Decrease in profit for the period	1,116	99

The application is retrospective and accordingly, certain comparatives have been restated due to the adoption of revised FRS:

	<b>Increase/(Decrease)</b>		
	<b>FRS 112</b>		
	<b>Previously stated</b>		<b>Restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 30 April 2008 :			
Retained Earnings	97,636	2,179	99,815
Deferred tax liabilities	16,783	(2,179)	14,604



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 3. Significant Accounting Estimates And Judgements

##### (a) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

##### (b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

###### (i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unused Reinvestment Allowance to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowance can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of unrecognised tax losses and capital allowances of the Group was RM0.167 million (30.4.2008: RM0.344 million).

###### (ii) Depreciation of plant and equipment

The cost of paper making machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within ten years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### 4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 April 2008 was not subject to any audit qualification.



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### **INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008**

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

##### **5. 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.

##### **6. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period other than as disclosed in Note 2.

##### **7. 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.

##### **8. Debt and equity securities**

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial period.

##### **9. Dividend paid**

An interim tax exempt dividend in respect of the financial year ending 30 April 2008, of 19.5% (1.95sen per share) on 624,000,000 ordinary shares of RM0.10 each, amounting to RM12,168,000 was paid on 8 May 2008.





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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 10. Segment information

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

#### 3 months ended 31 July 2008

	Revenue RM'000	Segment results RM'000
Manufacturing	70,336	10,120
Trading	84,561	3,041
Others	1,730	206
Amalgamated	156,627	13,367
Inter-segment elimination	(69,344)	-
Consolidated revenue/profit from operations	87,283	13,367
Finance costs		
- interest income	-	16
- interest expense	-	(540)
Consolidated revenue/profit before taxation	87,283	12,843

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.

#### 11. Valuation of property, plant and equipment

The valuations of land and building have been brought forward, without amendment from the annual financial statements for the year ended 30 April 2008. The carrying value is based on a valuation carried out on 30 April 2007 by independent qualified valuers less depreciation.

During the year, the acquisition of property, plant and equipment amounted to RM4.64 million.

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

There were no material events subsequent to the end of the financial period ended 31 July 2008 that have not been reflected in the interim financial statements as at the date of this report.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 13. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter and financial period to date.

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

The contingent liabilities of the Company are as follows:

	<b>As at 31.07.2008</b>	<b>As at 30.4.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
(a) Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	45,696	40,101



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

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### NOTES TO THE INTERIM FINANCIAL REPORT

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

##### **15. Review of performance of the Company and its principal subsidiaries**

For the quarter under review, the Group recorded revenue of RM87.28 million and profit before taxation of RM12.84 million as compared to revenue of RM73.07 million and profit before taxation of RM8.47 million for the corresponding quarter in the preceding year.

The increase in revenue of RM14.21 million as compared with the corresponding quarter in the preceding year is contributed by the continued growth in sales of tissue products, sanitary napkins and baby diapers.

The increase in profit before tax of RM4.37 million as compared with the corresponding quarter in the preceding year is mainly due to the increase in revenue in the current quarter.

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

Revenue for the quarter under review has increased from RM73.88 million recorded in the preceding quarter to RM87.28 million in the current quarter mainly due to the increase in sales of tissue products, sanitary napkins and baby diapers.

The Group's profit before taxation has increased from RM10.12 million in the previous financial quarter ended 30 April 2008 to RM12.84 million in the current financial quarter ended 31 July 2008 mainly due to the increase in sales.

##### **17. Prospects**

The Board of Directors is optimistic that the Group will be able to achieve satisfactory performance in the financial year ending 30 April 2009.

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

Not applicable.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 19. Taxation

	Current Quarter 3 months ended 31 July 2008 RM'000	Year-to-date 3 months ended 31 July 2008 RM'000
Income tax		
Current year	1,632	1,632
Prior year	-	-
	<hr/> 1,632	<hr/> 1,632
Deferred tax		
Current year	982	982
Prior year	-	-
	<hr/> 2,614	<hr/> 2,614

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

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

There were no purchases or disposals of unquoted investments or disposal of properties in the current financial period.

#### 21. Quoted security

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

#### 22. Status on corporate proposals

Not applicable.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 23. Group borrowings, unsecured

	31 July 2008 RM'000
<b>Non-current</b>	
Long term loan	<u>11,363</u>
<b>Current</b>	
Bankers' acceptance	16,801
Export credit refinancing	13,210
Term loans	<u>4,322</u>
	<u>34,333</u>

The above borrowings are denominated in Ringgit Malaysia.

#### 24. 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 12 September 2008, 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>Fair Value RM'000</b>	<b>Maturity Date</b>
<i>Bank Buy</i>				
Singapore Dollar	3,567	3,567	8,499	8,518
				15 September 2008 – 31 December 2008
US Dollar	450	450	1,554	1,543
				1 October 2008 – 31 October 2008

Derivatives financial instruments are not recognised in the financial statements.

#### 25. Material litigation

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



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 26. Dividend

The proposed single tier final dividend of 21% amounting to RM13,104,000 in respect of the financial year ended 30 April 2008 on 624,000,000 ordinary shares of RM0.10 each (2.10sen per share) has been approved by the shareholders at the Annual General Meeting held on 19 September 2008.

The financial statements for the current financial period do not reflect the 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 2008 in accordance with FRS 110 : Events After The Balance Sheet Date.

#### 27. 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.

	3 Months Period Ended 31 July		3 Months Period Ended 31 July	
	2008	2007	2008	2007
Net profit attributable to shareholders (RM'000)	10,259	6,955	10,259	6,955
Number of ordinary shares of RM0.10 each in issue ('000)	624,000	624,000	624,000	624,000
Basic earnings per share (sen)	1.6	1.1	1.6	1.1

**By Order of the Board**

**Company Secretary**

**DATED THIS 19<sup>th</sup> DAY OF SEPTEMBER, 2008**