



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

### 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 2010	31 July 2009	31 July 2010	31 July 2009
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>94,504</b>	<b>94,492</b>	<b>94,504</b>	<b>94,492</b>
<b>Operating profit</b>	<b>16,986</b>	<b>18,673</b>	<b>16,986</b>	<b>18,673</b>
Interest income	14	12	14	12
Interest expense	(454)	(321)	(454)	(321)
<b>Profit before taxation</b>	<b>16,546</b>	<b>18,364</b>	<b>16,546</b>	<b>18,364</b>
Taxation	(4,137)	(4,289)	(4,137)	(4,289)
<b>Profit after taxation</b>	<b>12,409</b>	<b>14,075</b>	<b>12,409</b>	<b>14,075</b>
<b>Profit attributable to:</b>				
Owners of the parent	12,409	14,055	12,409	14,055
Minority interest	-	20	-	20
	<b>12,409</b>	<b>14,075</b>	<b>12,409</b>	<b>14,075</b>
Basic/Diluted earnings per ordinary share (sen)	1.1	1.3	1.1	1.3

*The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2010.*

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



# NTPM HOLDINGS BERHAD

(Company No. 384662 U)  
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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(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 2010	31 July 2009	31 July 2010	31 July 2009
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	12,409	14,075	12,409	14,075
<b>Other comprehensive income :</b>				
Foreign currency translation	61	121	61	121
Cash flow hedges	892	-	892	-
<b>Total comprehensive income for the period</b>	<b>13,362</b>	<b>14,196</b>	<b>13,362</b>	<b>14,196</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	13,362	14,176	13,362	14,176
Minority interest	-	20	-	20
	<b>13,362</b>	<b>14,196</b>	<b>13,362</b>	<b>14,196</b>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2010.*

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**NTPM HOLDINGS BERHAD**  
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**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited)	(Audited)
	As at	As at
	31 July 2010	30 April 2010
	<u>RM'000</u>	<u>RM'000</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	195,479	189,859
PREPAID LAND LEASE PAYMENTS	748	753
DEFERRED TAX ASSETS	926	1,227
	<u>197,153</u>	<u>191,839</u>
<b>CURRENT ASSETS</b>		
Inventories	75,621	68,828
Trade receivables	55,839	58,127
Other receivables	13,755	7,843
Derivative assets	241	-
Cash and bank balances	18,140	11,574
	<u>163,596</u>	<u>146,372</u>
<b>TOTAL ASSETS</b>	<u>360,749</u>	<u>338,211</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(11)	(11)
RESERVES	128,408	116,148
<b>TOTAL EQUITY</b>	<u>240,717</u>	<u>228,457</u>
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	14,495	16,344
DEFERRED TAX LIABILITIES	17,693	18,085
RETIREMENT BENEFIT OBLIGATIONS	893	860
	<u>33,081</u>	<u>35,289</u>
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	38	38
Borrowings	40,812	21,429
Trade payables	21,102	21,552
Other payables	24,247	28,995
Tax payable	752	2,451
	<u>86,951</u>	<u>74,465</u>
<b>TOTAL LIABILITIES</b>	<u>120,032</u>	<u>109,754</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>360,749</u>	<u>338,211</u>
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	<u>0.21</u>	<u>0.20</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2010.*

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**INTERIM FINANCIAL REPORT  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(The figures have not been audited)

Three Months Ended 31 July 2010

	← Attributable to owners of the parent →					Minority interest	Total Equity
	Non-distutable		Distutable				
	Share Capital	Treasury Shares	Other				
			reserves, total	Retained earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2010	112,320	(11)	20,018	96,130	228,457	-	228,457
Effect of adopting FRS 139	-	-	(1,540)	438	(1,102)	-	(1,102)
	112,320	(11)	18,478	96,568	227,355	-	227,355
Total comprehensive income for the period	-	-	953	12,409	13,362	-	13,362
Transactions with owners :							
Acquisition of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Total transactions with owners :	-	-	-	-	-	-	-
<b>At 31 July 2010</b>	<b>112,320</b>	<b>(11)</b>	<b>19,431</b>	<b>108,977</b>	<b>240,717</b>	<b>-</b>	<b>240,717</b>

Three Months Ended 31 July 2009

	← Attributable to owners of the parent →					Minority interest	Total Equity
	Non-distutable		Distutable				
	Share Capital	Treasury Shares	Other				
			reserves, total	Retained earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2009	112,320	-	21,549	69,382	203,251	680	203,931
Total comprehensive income/ (loss) for the period	-	-	121	14,055	14,176	20	14,196
<b>At 31 July 2009</b>	<b>112,320</b>	<b>-</b>	<b>21,670</b>	<b>83,437</b>	<b>217,427</b>	<b>700</b>	<b>218,127</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 2010

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

(The figures have not been audited)

	<b>3 months ended 31 July 2010 RM'000</b>	<b>3 months ended 31 July 2009 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	6,038	27,541
Tax paid	(6,088)	(2,518)
Tax refunded	-	-
Interest paid	(454)	(321)
Net cash generated from operating activities	<u>(504)</u>	<u>24,702</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(10,587)	(10,015)
Prepayment of Land Lease	-	-
Interest received	14	12
Proceeds from disposal of plant and equipment	109	136
Net cash used in investing activities	<u>(10,464)</u>	<u>(9,867)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in bank borrowings	19,367	(12,373)
Repayment of term loans	(1,833)	(985)
Net cash used in financing activities	<u>17,534</u>	<u>(13,358)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>6,566</b>	<b>1,477</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	<b>11,574</b>	<b>12,950</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	<b><u>18,140</u></b>	<b><u>14,427</u></b>
Cash and cash equivalents in the condensed consolidated cash flow statements comprise:		
Cash and bank balances	18,140	14,427
	<u>18,140</u>	<u>14,427</u>

*The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2010.*

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

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### NOTES TO THE INTERIM FINANCIAL REPORT

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#### 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 2010. 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 2010.

##### 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 2010 except for the adoption of the following new and amended FRS and IC Interpretations with effect from 1 May 2010.

- FRS 7 *Financial Instruments: Disclosures*
- FRS 8 *Operating Segments*
- FRS 101 *Presentation of Financial Statements (Revised)*
- FRS 123 *Borrowing Costs*
- FRS 139 *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
- Amendments to FRS 132 *Financial Instruments: Presentation*
- Amendments to FRS 132 *Financial Instruments: Presentation, relating to Classification of Rights Issues*
- Amendments to FRS 139 *Financial Instruments: Recognition and Measurement*, FRS 7 *Financial Instruments: Disclosures* and IC Interpretation 9 *Reassessment of Embedded Derivatives*
- Amendments to FRSs *'Improvements to FRSs (2009)'*
- IC Interpretation 9 *Reassessment of Embedded Derivatives*
- IC Interpretation 10 *Interim Financial Reporting and Impairment*
- IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions*
- IC Interpretation 13 *Customer Loyalty Programmes*
- IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

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### NOTES TO THE INTERIM FINANCIAL REPORT

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FRS 4 *Insurance Contracts* and TR i-3 *Presentation of Financial Statements of Islamic Financial Institutions* will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group except for those discussed below:

(a) FRS 8 *Operating Segments*

FRS 8, which replaces FRS 114 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. As such, no further segment information disclosures will be necessary.

(b) FRS 101 *Presentation of Financial Statements (Revised)*

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two link statements of comprehensive income.

(c) FRS 139 *Financial Instruments: Recognition and Measurement*

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Financial instruments are recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. When financial instruments are recognised initially, they are measured at fair value, plus, in the case of financial instruments not at fair value through profit or loss, the directly attributable transaction costs. The Group has adopted FRS 139 prospectively on 1 May 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 May 2010. Comparatives are not restated. The details of the significant changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:



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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

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#### NOTES TO THE INTERIM FINANCIAL REPORT

##### Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial assets include cash and short-term placements and loans and receivables.

(i) Loans and receivables

Prior to 1 May 2010, loans and receivables were stated at gross proceeds receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Prior to 1 May 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 May 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the remeasurement did not have any significant impact on the financial position and results of the Group.

##### Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. After initial recognition, all financial liabilities other than those categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. The Group's financial liabilities include trade and other payables and borrowings.

##### Derivatives

Prior to 1 May 2010, all derivative financial instruments were recognised in the financial statements only upon settlement. With the adoption of FRS 139, derivative financial instruments that are not designated or do not qualify for hedge accounting are now categorized as fair value through profit or loss with any gain or loss arising from fair value changes recognized directly in profit or loss. Derivatives are carried as assets when fair value is positive and liabilities when fair value is negative.





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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

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#### NOTES TO THE INTERIM FINANCIAL REPORT

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The group applies hedge accounting for certain hedging relationships which qualify for hedge accounting and these include forward exchange contracts that are entered into to hedge future foreign currency risk in an unrecognised contractual commitment denominated in foreign currency in relation to acquisition of Property, Plant & Equipments. Those contracts are designated as cash flow hedge if they meet the criteria for qualification for hedge accounting.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(i) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as other income or operating expenses.

Amount recognized in other comprehensive income previously are reclassified from equity to profit or loss when the hedged transaction affects profit or loss. Where the hedged item is a non-financial asset or a non-financial liability, the amount recognised previously in other comprehensive income are removed and included in the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.



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### NOTES TO THE INTERIM FINANCIAL REPORT

The following are effects arising from the adoption of FRS 139:

<b>Statements of financial position</b>	<b>Increase/(decrease)</b>	
	<b>As at 31 July 2010 RM'000</b>	<b>As at 1 May 2010 RM'000</b>
Derivatives assets/(liabilities)	1,206	(965)
Retained earnings	(284)	438
Other reserves		
- Cash flow hedge reserve	892	(1,540)
Deferred tax liabilities	(95)	137

<b>Statements of comprehensive income</b>	<b>Increase/(decrease)</b>	
	<b>Current Quarter 3 months ended 31 July 2010 RM'000</b>	<b>Year-to-date 3 months ended 31 July 2010 RM'000</b>
Profit for the quarter/year	(284)	(284)

(d) Amendments to FRS 117 *Leases* (Improvements to FRS issued in 2009)

The amendments to FRS 117 *Leases* clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. The Group has applied this change in accounting policy in accordance with the transitional provisions of the Amendments to FRS 117. At 1 May 2010, the Group reassessed the lease classification on the basis of the facts and circumstances existing on that date and the reassessment has resulted in no unexpired land leases being reclassified from prepaid land lease payments to property, plant and equipment. Hence, there is no effect to the consolidated statement of financial position as at 1 May 2010 arising from the above change in accounting policy

At the date of authorisation of the interim financial report, the following standards and interpretations were issued but not yet effective and have not been applied by the Group, which are:



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### Effective for financial periods beginning on or after 1 July 2010

- FRS 1 *First-time Adoption of Financial Reporting Standards*
- FRS 3 *Business Combinations (Revised)*
- Amendments to FRS 2 *Share-based Payment*
- Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 127 *Consolidated and Separate Financial Statements*
- Amendments to FRS 138 *Intangible Assets*
- Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*
- IC Interpretation 12 *Service Concession Arrangements*
- IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17 *Distributions of Non-cash Assets to Owners*

#### Effective for financial periods beginning on or after 1 January 2011

- Amendments to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-Time Adopters*
- Amendments to FRS 1 *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions*
- Amendments to FRS 7 *Improving Disclosures about Financial Instruments*
- IC Interpretation 4 *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18 *Transfers of Assets from Customers*

#### Effective for financial periods beginning on or after 1 January 2012

- IC Interpretation 15 *Agreements for the Construction of Real Estate*

Existing IC Interpretation 8 and IC Interpretation 11 will be withdrawn on application of *Group Cash-settled Share-based Payment Transactions* (Amendments to FRS 2) with effect from 1 January 2010.

The Group plans to adopt the above pronouncements when they become effective in the respective financial period. These pronouncements are expected to have no significant impact to the financial position and performance of the Group upon their initial application.

### 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



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

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### NOTES TO THE INTERIM FINANCIAL REPORT

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 RM2.657 million (30.4.2010: RM2.234 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 2010 was not subject to any audit qualification.

#### **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.



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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 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

There were no dividends paid during the financial period ended 31 July 2010.

#### 10. Segment information

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

#### 3 months ended 31 July 2010

	Revenue RM'000	Segment results RM'000
Manufacturing	75,357	9,772
Trading	87,421	6,744
Others	2,078	470
Amalgamated	164,856	16,986
Inter-segment elimination	(70,352)	-
Consolidated revenue/profit from operations	94,504	16,986
Finance costs		
- interest income	-	14
- interest expense	-	(454)
Consolidated revenue/profit before taxation	94,504	16,546

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 2010

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 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 2010. The carrying value is based on a valuation carried out on 30 April 2007 by independent qualified valuers less depreciation.

During the period, the acquisition and disposal of property, plant and equipment amounted to RM10.59 million and RM0.11 million respectively.

#### 12. Significant material and subsequent events to the balance sheet date

There were no significant material and subsequent events at the end of the financial period ended 31 July 2010 that have not been reflected in the interim financial statements as at the date of this report except as follows:-

- a) On 25 March 2010, a subsidiary has entered into a Sales & Purchase Agreement for the purchase of a unit of industrial land known as Lot No. 6543 measuring approximately 11,768 square metre held under title deed HS(D) 18622, Mukim Sungai Karang, Kuantan, Pahang for a total purchase consideration of RM2,280,000 of which a 60% deposit amounting to RM1,368,000 has been paid to date; and
- b) On 19 April 2010, a subsidiary has entered into a Sales & Purchase Agreement to acquire a parcel of land identified as Lot 3A, Industrial Zone 7 (IZ 7), Kota Kinabalu Industrial Park (KKIP) measuring approximately 4.91 acres held under master title CL015582153 in the district of Kota Kinabalu, Sabah, Malaysia for a total purchase consideration of RM5,989,000 of which 25% progress billings amounting to RM1,497,000 have been paid to date.

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

There were no significant 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:

	As at 31.7.2010 RM'000	As at 30.4.2010 RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	55,307	37,773



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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

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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 RM94.50 million and profit before taxation of RM16.55 million as compared to revenue of RM94.49 million and profit before taxation of RM18.36 million for the corresponding quarter in the preceding year.

The decrease in profit before taxation of RM1.8 million as compared with the corresponding quarter in the preceding year is mainly due to the increase in cost of raw materials.

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

Revenue for the quarter under review has increased from RM93.42 million recorded in the preceding quarter to RM94.50 million in the current quarter mainly due to the increase in sales of baby diapers and sanitary napkins.

The Group's profit before taxation has decreased from RM17.38 million in the previous financial quarter ended 30 April 2010 to RM16.55 million in the current financial quarter ended 30 April 2010 mainly due to the increase in cost of raw materials.

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

While the Group expects the current financial year to be full of challenges, the Board of Directors remains optimistic that the Group will be able to achieve satisfactory performance in the financial year ending 30 April 2011.

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

Not applicable.



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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 19. Taxation

	Current Quarter 3 months ended 31 July 2010 RM'000	Year-to-date 3 months ended 31 July 2010 RM'000
Income tax		
Current year	4,365	4,365
Prior year	-	-
	<hr/> 4,365	<hr/> 4,365
Deferred tax		
Current year	(228)	(228)
Prior year	-	-
	<hr/> 4,137	<hr/> 4,137

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

There were no purchases or disposals of unquoted investments or disposal of properties in the current financial period except as follows: -

- a) On 19 June 2010, a subsidiary has entered into a Sales & Purchase Agreement for the purchase of all that vacant piece of leasehold land known as Lot 8389 measuring approximately 2,127 square meters held under Pajakan Negeri No. Hakmilik 49664, situated in Mukim Krubong, Daerah Melaka Tengah, Melaka for a total cash consideration of RM412,000 of which the final payment was fully settled on 27 July 2010.
- b) On 19 June 2010, a subsidiary has entered into a Sales & Purchase Agreement for the purchase of all that vacant piece of leasehold land known as Lot 8390 measuring approximately 2,127 square meters held under Pajakan Negeri No. Hakmilik 49659, situated in Mukim Krubong, Daerah Melaka Tengah, Melaka for a total cash consideration of RM412,000 of which the final payment was fully settled on 27 July 2010.
- c) On 19 June 2010, a subsidiary has entered into a Sales & Purchase Agreement for the purchase of all that vacant piece of leasehold land known as Lot 8391 measuring approximately 2,127 square meters held under Pajakan Negeri No. Hakmilik 49656, situated in Mukim Krubong, Daerah Melaka Tengah, Melaka for a total cash consideration of RM412,000 of which the final payment was fully settled on 27 July 2010.

The above leasehold lands were classified as property, plant and equipment in the financial statement in compliance with FRS 117 *Leases*.





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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 21. Quoted security

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

#### 22. Status on corporate proposals

Not applicable.

#### 23. Group borrowings, unsecured

	<b>31 July 2010</b> <b>RM'000</b>
<b>Non-current</b>	
Long term loan	<u>14,495</u>
<b>Current</b>	
Bankers' acceptance	17,000
Export credit refinancing	16,697
Term loans	<u>7,115</u>
	<u>40,812</u>

The above borrowings are denominated in Ringgit Malaysia.

#### 24. Derivatives 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.

- a) As at 31 July 2010, 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>RM'000</b>	<b>Fair Value RM'000</b>	<b>Maturity Date</b>
<i>Bank Buy</i>					
Singapore Dollar	3,952	3,952	9,325	9,273	02 Aug 2010 – 26 Nov 2010



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

### NOTES TO THE INTERIM FINANCIAL REPORT

US Dollar	1,000	1,000	3,324	3,204	02 Aug 2010 – 10 Nov 2010
<u>Bank Sell</u>					
Euro	1,048	901	3,690	3,759	25 May 2010 – 15 Oct 2010

With the adoption of FRS 139, derivatives financial instruments are now recognised in the financial statements as fully described in Note 2(c). During the financial quarter, the Group recognized a loss of RM378,000 arising from fair value changes of financial derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

The Group will fund the requirements of these derivatives from its net cash flow from operating activities when payments fall due.

- b) As at 27 August 2010, 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	Fair Value RM'000	Maturity Date
<u>Bank Buy</u>					
Singapore Dollar	3,799	3,799	8,965	8,669	01 Sep 2010 – 10 Dec 2010
US Dollar	940	940	3,038	2,924	02 Aug 2010 – 20 Sep 2010
<u>Bank Sell</u>					
Euro	1,048	901	3,690	3,627	25 May 2010 – 15 Oct 2010

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group nor the related accounting policies except those changes which have been disclosed under Note 2(c). Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for the financial year ended 30 April 2010.

### 25. Material litigation

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

### 26. Dividend



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2010

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### NOTES TO THE INTERIM FINANCIAL REPORT

The proposed single tier final dividend of 14.5% amounting to RM16,286,124 in respect of the financial year ended 30 April 2010 on 1,123,181,000 ordinary shares of RM0.10 each (1.45sen per share) has been approved by the shareholders at the Annual General Meeting held on 3 September 2010. The dividend shall be payable on 30 September 2010 to the shareholders registered in the Company's books at the close of business on 15 September 2010.

The financial statements for the current financial period do not reflect the proposed dividend. The dividend will be accounted for in shareholders' equity as an appropriation of retained profits in the financial period ending 31 October 2010 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	
	2010	2009	2010	2009
Net profit attributable to shareholders (RM'000)	12,409	14,055	12,409	14,055
Weighted average number of ordinary shares in issue ('000)	1,123,181	1,123,200	1,123,181	1,123,200
Basic earnings per share (sen)	1.1	1.3	1.1	1.3

**By Order of the Board**

**Company Secretary**

**DATED THIS 3<sup>rd</sup> DAY OF SEPTEMBER, 2010**