NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2012

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 2012	31 July 2011	31 July 2012	31 July 2011
	RM'000	RM'000	RM'000	RM'000
Revenue	**114,861**	**106,950**	**114,861**	**106,950**
Operating profit	**15,434**	**13,020**	**15,434**	**13,020**
Interest income	69	16	69	16
Interest expense	(988)	(674)	(988)	(674)
Profit before taxation	**14,515**	**12,362**	**14,515**	**12,362**
Taxation	(4,302)	(3,134)	(4,302)	(3,134)
Profit after taxation	**10,213**	**9,228**	**10,213**	**9,228**
Profit attributable to:				
Owners of the parent	10,213	9,228	10,213	9,228
Non-controlling interests	-	-	-	-
	10,213	**9,228**	**10,213**	**9,228**
Basic/Diluted earnings per ordinary share (sen)	0.9	0.8	0.9	0.8

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2012.

The accompanying notes are an integral part of this statement.

NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2012

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 2012	31 July 2011	31 July 2012	31 July 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	10,213	9,228	10,213	9,228
Other comprehensive income :				
Foreign currency translation	507	223	507	223
Revaluation of land and building	37	-	37	-
Total comprehensive income for the period	**10,757**	**9,451**	**10,757**	**9,451**
Total comprehensive income attributable to:				
Owners of the parent	10,757	9,451	10,757	9,451
Non-controlling interests	-	-	-	-
	10,757	**9,451**	**10,757**	**9,451**

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2012.

The accompanying notes are an integral part of this statement.

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2012

NOTES TO 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 2012	31 July 2011	31 July 2012	31 July 2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(69)	(16)	(69)	(16)
(b) Other income including investment income	(345)	(299)	(345)	(299)
(c) Interest expense	988	674	988	674
(d) Depreciation and amortisation	5,903	5,474	5,903	5,474
(e) Provision for and write off of receivables	150	150	150	150
(f) Provision for and write off of inventories	-	-	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment/(Reversal of impairment) of assets	-	-	-	-
(i) Foreign exchange loss/(gain)	(27)	(35)	(27)	(35)
(j) (Gain)/loss on derivatives	456	24	456	24
(k) Exceptional items	-	-	-	-

The Notes to Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2012.

The accompanying notes are an integral part of this statement.

NTPM HOLDINGS BERHAD
(Company No. 384662 U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2012

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 July 2012	(Unaudited) As at 30 April 2012 (restated)	(Unaudited) As at 01 May 2011 (restated)
	RM'000	RM'000	RM'000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	250,657	246,848	207,527
PREPAID LAND LEASE PAYMENTS	5,278	5,338	733
DEFERRED TAX ASSETS	331	292	566
	256,266	252,478	208,826
CURRENT ASSETS			
Inventories	97,837	92,545	86,685
Trade receivables	70,385	75,402	63,556
Other receivables	21,037	18,278	14,339
Derivative assets	-	241	101
Cash and bank balances	23,731	25,045	26,915
	212,990	211,511	191,596
TOTAL ASSETS	469,256	463,989	400,422
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
SHARE CAPITAL	112,320	112,320	112,320
TREASURY SHARES	(33)	(33)	(23)
RESERVES	181,095	170,338	135,872
TOTAL EQUITY	293,382	282,625	248,169
NON-CURRENT LIABILITIES			
BORROWINGS	32,531	35,167	9,000
DEFERRED TAX LIABILITIES	19,578	19,870	18,026
RETIREMENT BENEFIT OBLIGATIONS	1,925	1,869	1,758
	54,034	56,906	28,784
CURRENT LIABILITIES			
Retirement benefit obligations	46	46	36
Borrowings	62,999	65,691	67,949
Dividend payable	-	-	-
Trade payables	27,569	23,660	24,750
Other payables	28,789	34,124	29,570
Tax payable	2,222	937	1,164
Derivative liabilities	215	-	-
	121,840	124,458	123,469
TOTAL LIABILITIES	175,874	181,364	152,253
TOTAL EQUITY AND LIABILITIES	469,256	463,989	400,422
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	0.26	0.25	0.22

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2012.

The accompanying notes are an integral part of this statement.

NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2012

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(The figures have not been audited)

Three Months Ended 31 July 2012

	Attributable to owners of the parent					Non-controlling Interest	Total Equity
	Non-distibutable			Distibutable			
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2012 (restated)	112,320	(33)	42,643	127,695	282,625	-	282,625
Total comprehensive income for the period	-	-	544	10,213	10,757	-	10,757
Transactions with owners :							
Acquisition of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Total transactions with owners :	-	-	-	-	-	-	-
At 31 July 2012	**112,320**	**(33)**	**43,187**	**137,908**	**293,382**	**-**	**293,382**

Three Months Ended 31 July 2011

	Attributable to owners of the parent					Non-controlling Interest	Total Equity
	Non-distibutable			Distibutable			
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2011 (restated)	112,320	(23)	20,386	115,486	248,169	-	248,169
Total comprehensive income for the period	-	-	223	9,228	9,451	-	9,451
At 31 July 2011	**112,320**	**(23)**	**20,609**	**124,714**	**257,620**	**-**	**257,620**

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2012

The accompanying notes are an integral part of this statement.

NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2012

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	3 months ended 31 July 2012 RM'000	3 months ended 31 July 2011 RM'000
OPERATING ACTIVITIES		
Profit before tax	14,515	12,362
Adjustments for:		
Amortisation of prepaid land lease payments	60	5
Bad debts written off	-	724
Depreciation	5,843	5,469
Effect of exchange rate changes	555	256
Interest expense	988	674
Interest income	(69)	(16)
Net fair value (gain)/loss on derivatives	456	24
Plant and equipment written off	8	-
Provision for retirement benefits	84	147
Impairement loss/(Reversal of impairment loss) on loan and receivables	150	(574)
Unrealised foreign exchange loss/(gain)	224	(10)
Total adjustments	8,299	6,699
Operating cash flows before changes in working capital	22,814	19,061
Changes in working capital		
Decrease/(Increase) in receivables	947	(2,236)
Increase in inventories	(5,292)	(5,836)
Decrease in payables	(1,497)	(4,467)
Decrease in retirement benefit obligations	(28)	(110)
Total changes in working capital	(5,870)	(12,649)
Cash flows from operations	16,944	6,412
Interest paid	(988)	(674)
Tax paid	(3,698)	(4,217)
Tax refunded	1,657	227
Net cash flow generated from operating activities	13,915	1,748
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,594)	(6,777)
Interest received	69	16
Proceeds from disposal of plant and equipment	1	-
Net cash used in investing activities	(9,524)	(6,761)
FINANCING ACTIVITIES		
Net change in bank borrowings	(2,271)	656
Repayment of term loans	(3,434)	(1,790)
Repayment of obligations under finance leases	-	(15)
Net cash used in financing activities	(5,705)	(1,149)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,314)	(6,162)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	25,045	26,915
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	23,731	20,753
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	15,751	12,801
Deposits with licensed banks:		
Fixed deposit	7,980	7,952
Short term placements	-	-
	23,731	20,753

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2012.

The accompanying notes are an integral part of this statement.

NOTES TO THE INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 31 July 2012, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 30 April 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 30 April 2013. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated 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 2012.

In preparing its opening MFRS Statement of Financial Position as at 1 May 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 2 below. These notes include reconciliations of equity for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has no impact on the statements of comprehensive income and statements of cash flows.

2. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 30 April 2012 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 30 April 2012 except as discussed below:

(a) Business Combination

MFRS 1 provides the option to apply MFRS 3 *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. This

NOTES TO THE INTERIM FINANCIAL REPORT

provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition
The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

(i) The classification of former business combinations under FRS is maintained; and
(ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition).

(b) Property, plant and equipment

The group has previously adopted revaluation model for its property comprising land and buildings under FRS 116: Property, plant and equipment. Land and buildings are measured at fair value less accumulated depreciation on building and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, i.e. every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying amount at the reporting date.

Upon the transition to MFRS, the Group has elected to continue using the revaluation model for measuring its land and buildings under MFRS 116: Property, Plant and Equipment. No adjustment was made to the carrying amounts of land and buildings as these amounts were broadly comparable to the fair value of the assets at as that date.

(c) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. No adjustment was made to the foreign currency translation reserve as the Group has not elected to transfer the cumulative foreign currency translation differences for all foreign operations to be deemed zero as at the date of transition to MFRS.

(d) Employee benefits

Under FRS, actuarial gains and losses outside a pre-determined range (referred to as the corridor) are recognised in profit or loss in future periods over the expected average remaining working lives of the employees participating in the plan. Actuarial gains and losses within the corridor need not be recognised although the entity may choose to recognise it.

MFRS 1 provides the optional exemption to recognize all cumulative actuarial gain and losses at the date of transition. Accordingly, at the date of transition to MFRS, the cumulative actuarial losses after tax of RM573,000 (31 July 2011: RM573,000; 30 April 2012: RM573,000) were adjusted to retained earnings.

NOTES TO THE INTERIM FINANCIAL REPORT

There are no adjustments made to the total comprehensive income and statement of cash flows upon the transition to MFRS. Consequently, a reconciliation of the effects of the total comprehensive income and statement of cash flows has not been presented.

The reconciliation of equity for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS is provided below:

Retained earnings

The changes which affected the retained earnings are as follows:

	Note	1 May 2011 RM'000	31 July 2011 RM'000	30 April 2012 RM'000
Retirement benefit obligations	2(d)	(764)	(764)	764
Deferred tax liabilities	2(d)	191	191	191
		(573)	(573)	(573)

At the date of authorisation of these interim financial reports, the following MFRSs, amendments to MFRSs, and IC interpretation were issued but not yet effective and have not been applied by the Group :

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
MFRS 3 *Business Combinations*	1 January 2013
MFRS 9 *Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)*	1 January 2015
MFRS 10 *Consolidated Financial Statements*	1 January 2013
MFRS 11 *Joint Arrangements*	1 January 2013
MFRS 12 *Disclosure of Interests in Other Entities*	1 January 2013
MFRS 13 *Fair value measurement*	1 January 2013
MFRS 119 *Employee Benefits*	1 January 2013
MFRS 127 *Separate Financial Statements (IAS 27 as amended by IASB in December 2003 & May 2011)*	1 January 2013
MFRS 128 *Investments in Associates and Joint Ventures*	1 January 2013
Amendments to MFRS 1 *Government Loans*	1 January 2013
Amendments to MFRS 7 *Disclosure - Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Amendments to MFRS 10, MFRS 11and MFRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2013

NOTES TO THE INTERIM FINANCIAL REPORT

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
Amendments to MFRSs contained in the document entitled "*Annual Improvements 2009-2011 Cycle*"	1 January 2013
Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*	1 July 2012
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013

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 RM8.254 million (30.4.2012: RM6.488 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 2012 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.

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

There were no dividends paid during the financial period ended 31 July 2012.

10. Segment information

Segment information is presented in respect of the Group's two core products based operating segments.

NOTES TO THE INTERIM FINANCIAL REPORT

Segment information for the period ended 31 July 2012 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	84,263	30,598	114,861
Segment profit	12,100	2,415	14,515
Included in the measure of segment profit are			
- depreciation and amortisation	5,176	727	5,903
- non-cash expenses other than depreciation and amortisation	804	90	894
Segment assets	397,485	71,771	469,256
Included in the measure of segment assets is			
- capital expenditure	8,667	927	9,594

Segment information for the period ended 31 July 2011 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	87,108	19,842	106,950
Segment profit	10,637	1,725	12,362
Included in the measure of segment profit are			
- depreciation and amortisation	4,799	675	5,474
- non-cash expenses other than depreciation and amortisation	157	44	201
Segment assets	341,541	62,611	404,152
Included in the measure of segment assets is			
- capital expenditure	6,175	602	6,777

NOTES TO THE INTERIM FINANCIAL REPORT

11. 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 2012. The carrying value is based on a valuation carried out on 30 April 2012 by independent qualified valuers less depreciation.

During the period, the acquisition of property, plant and equipment amounted to RM9.59 million.

12. Significant 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 2012 that have not been reflected in the interim financial statements as at the date of this report other than as disclosed below:

a) NTPM(Singapore) Pte. Ltd. had on 3 July 2012 signed a Letter of Confirmation with Vietnam Singapore Industrial Park JV Co. Ltd. for a lease of a land measuring about 100,000 square metres in Vietnam Singapore industrial Park("VSIP") II in Vietnam for a total cash consideration of about US$4,950,000 which is equivalent to RM15,642,000 (based on exchange rate of USD1.00: RM3.16). A booking fee of USD495,000 representing 10% of the land lease price consideration has 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.

14. Changes in corporate guarantees, contingent liabilities or contingent assets

The corporate guarantees of the Company are as follows:

		As at 31.07.2012 RM'000	As at 30.4.2012 RM'000
(a)	Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	95,530	100,858

NOTES TO THE INTERIM FINANCIAL REPORT

PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A

15. Review of performance

	Individual quarter ended		Cumulative period ended	
	31.07.2012	**31.07.2011**	**31.07.2012**	**31.07.2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue				
Paper Products	84,263	87,108	84,263	87,108
Personal Care Products	30,598	19,842	30,598	19,842
Group	114,861	106,950	114,861	106,950
Profit before tax				
Paper Products	12,100	10,637	12,100	10,637
Personal Care Products	2,415	1,725	2,415	1,725
Group	14,515	12,362	14,515	12,362

Group

Group revenue for the three months period ended 31 July 2012 was RM114.9 million compared with RM107.0 million for the three months period ended 31 January 2011, an increase of 7.4%. The increase in revenue was mainly due to the increase in sales of baby diapers in the domestic market. The Group's profit before taxation for the period ended 31 July 2012 was RM14.5 million, an increase of 17.4% over the RM12.4 million registered in the preceding year corresponding quarter. The increase in profit before taxation was mainly due to the increase in sales and favorable pulp & waste paper prices.

Paper Products segment

Revenue from the paper products segment for the three months period ended 31 July 2012 was RM84.3 million compared with RM87.1 million for the three months period ended 31 July 2011, a decrease of 3.2%. The decrease in revenue was mainly due to the decrease in sales of tissue products in the export market compared to the corresponding quarter in last financial year. The profit before taxation in the paper products segment for the period ended 31 July 2012 was RM12.1 million, an increase of 13.8% over the RM10.6 million registered in the corresponding quarter in last financial year. The increase in profit before taxation was mainly due to favorable pulp and waste paper prices.

Personal Care Products segment

Revenue from the personal care products segment for the three months period ended 31 July 2012 was RM30.6 million compared with RM19.8 million for the three months period ended 31 July 2011, an increase of 54.2%. The increase in revenue was mainly due to the surge in demand for the Group's newly innovated baby diapers product which drives more than 100% growth compared to the corresponding quarter in the previous financial year. The profit before taxation in the personal care products segment for the period ended 31 July 2012 was RM2.4 million, an increase of 40.0% over RM1.7 million registered in the corresponding quarter in the last financial year. The increase in profit before taxation was mainly due to the increase in sales revenue

16. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	31.07.2012	30.04.2012		
	RM'000	RM'000	RM'000	%
Revenue	114,861	115,625	(764)	(0.7)
Profit before tax	14,515	16,166	(1,651)	(10.2)

The revenue for the quarter ended 31 July 2012 decreased by RM0.8 million or 0.7% and profit before taxation decreased by RM1.7 million or 10.2% for the current quarter as compared to the preceding quarter. The decrease in profit before tax was mainly due to the decrease in revenue, unfavorable movement in foreign exchange derivatives of approximately RM881,000 and the losses incurred due to digestion period required for the newly start-up tissue plant in Bentong.

17. Prospects

While the Group expects the 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 2013. The optimism is based on the Group's continuous efforts in increasing its sales, implementing its cost cutting measures, improving its operation efficiency and productivity, enhancing its inventory control and credit control as well as focusing on product improvement and quality improvement in both the tissue paper and personal care segment.

18. Variance of actual profit from profit forecast

Not applicable.

19. Taxation

	Current Quarter 3 months ended 31 July 2012 RM'000	Year-to-date 3 months ended 31 July 2012 RM'000
Income tax		
Current year	4,647	4,647
Prior year	-	-
	4,647	4,647
Deferred tax		
Current year	(345)	(345)
Prior year		
	4,302	4,302

During the previous financial year ended 30 April 2011, a subsidiary was subjected to an Inland Revenue Board (IRB) field audit covering the years of assessment 2004 to 2008, where the IRB in turn raised assessments for additional tax liabilities and penalties amounting to RM2.23 million. Arising therefrom, the management estimates that further tax liabilities and penalties of RM2.55 million would be incurred for subsequent year of assessments 2009 to 2012 as a result of the spill over effect arising from the IRB findings. The Directors have reasonable grounds to believe that the subsidiary's income tax treatment is in order based on a recent decision of the Special Commissioner upheld by the High Court in relation to these issues. Based on the advice of its tax and legal advisors, an appeal has been made to the Special Commissioner of IRB which has on 14 August 2012 fixed 28 November 2012 as the date of case management. Consequently, no provision for the additional tax liabilities and penalties in dispute has been made to date.

20. Status on corporate proposals

There were no significant corporate proposals for the current financial period to date other than as disclosed in Note 12.

NOTES TO THE INTERIM FINANCIAL REPORT

21. Group borrowings

	31 July 2012 RM'000
Non-current	
Unsecured	
Long term loan	32,531
Current	
Unsecured	
Bankers' acceptance	35,000
Export credit refinancing	-
Onshore Foreign Currency Loan(OFCL)	14,697
Term loans	13,302
	62,999

The above borrowings are denominated in Ringgit Malaysia except for Onshore Foreign Currency Loan(OFCL) which is denominated in US Dollar.

22. 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.

As at 31 July 2012, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

Foreign Currency	Outstanding Contract Amount		Fair Value	Derivative Assets/ (Liabilities)	Maturity Date
	FC '000	RM'000	RM'000	RM'000	
Bank Buy					
Singapore Dollar	4,807	11,930	12,102	(172)	10 Aug 2012 – 30 Nov 2012
US Dollar	7,200	22,771	22,814	(43)	30 Nov 2012 – 28 May 2013

NOTES TO THE INTERIM FINANCIAL REPORT

Derivatives financial instruments are categorised as fair value through profit or loss and measured at their fair value with the gain or loss recognized in the profit or loss. During the current financial quarter ended 31 July 2012, the Group recognised a loss before tax of RM456,000 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.

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 for the financial period ended 31 July 2012. 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 2012.

23. Material litigation

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

24. Dividend

The directors do not recommend any interim dividend for the financial period ended 31 July 2012.

NOTES TO THE INTERIM FINANCIAL REPORT

25. Earnings per share

Basic earnings per share

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

	3 Months Period Ended 31 July		3 Months Period Ended 31 July	
	2012	**2011**	**2012**	**2011**
Net profit attributable to shareholders (RM'000)	10,213	9,228	10,213	9,228
Weighted average number of ordinary shares in issue ('000)	1,123,141	1,123,161	1,123,141	1,123,161
Basic earnings per share (sen)	0.9	0.8	0.9	0.8

26. Realised and Unrealised Profits/Losses

The retained profits of the Group are analysed as follows: -

	As at 31//07/2012 RM'000	As at 30//04/2012 RM'000
Total retained profits of the Company and its subsidiaries : -		
-Realised	126,006	116,688
-Unrealised	(12,330)	(13,450)
	113,676	103,238
Add/(Less) : Consolidation adjustments	24,232	25,030
Total group retained profits as per consolidated accounts	137,908	128,268

By Order of the Board

Company Secretary

DATED THIS 21st DAY OF SEPTEMBER, 2012.