



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012

### CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 October 2012	31 October 2011	31 October 2012	31 October 2011
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>118,524</b>	<b>110,908</b>	<b>233,385</b>	<b>217,858</b>
<b>Operating profit</b>	<b>17,902</b>	<b>13,586</b>	<b>33,336</b>	<b>26,606</b>
Interest income	62	86	131	102
Interest expense	(1,011)	(723)	(1,999)	(1,397)
<b>Profit before taxation</b>	<b>16,953</b>	<b>12,949</b>	<b>31,468</b>	<b>25,311</b>
Taxation	(4,688)	(3,594)	(8,990)	(6,728)
<b>Profit after taxation</b>	<b>12,265</b>	<b>9,355</b>	<b>22,478</b>	<b>18,583</b>
<b>Profit attributable to:</b>				
Owners of the parent	12,265	9,355	22,478	18,583
Non-controlling interests	-	-	-	-
	<b>12,265</b>	<b>9,355</b>	<b>22,478</b>	<b>18,583</b>
Basic/Diluted earnings per ordinary share (sen)	1.1	0.8	2.0	1.7

*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.*



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(Company No. 384662 U)  
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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 October 2012	31 October 2011	31 October 2012	31 October 2011
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	12,265	9,355	22,478	18,583
<b>Other comprehensive income :</b>				
Foreign currency translation	(182)	90	325	313
Cash flow hedges	(21)	-	(21)	-
Revaluation of land and building	-	-	37	-
<b>Total comprehensive income for the period</b>	<b>12,062</b>	<b>9,445</b>	<b>22,819</b>	<b>18,896</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	12,062	9,445	22,819	18,896
Non-controlling interests	-	-	-	-
	<b>12,062</b>	<b>9,445</b>	<b>22,819</b>	<b>18,896</b>

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

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# NTPM HOLDINGS BERHAD

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012

### NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding	To Date	Corresponding
	31 October 2012	31 October 2011	31 October 2012	31 October 2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(62)	(86)	(131)	(102)
(b) Other income including investment income	(268)	(336)	(613)	(635)
(c) Interest expense	1,011	723	1,999	1,397
(d) Depreciation and amortisation	5,735	5,505	11,638	10,979
(e) Provision for and write off of receivables	158	159	308	309
(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)	(33)	232	(60)	196
(j) (Gain)/loss on derivatives	(563)	(176)	(107)	(152)
(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.*

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**NTPM HOLDINGS BERHAD**  
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**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited) As at 31 October 2012	(Unaudited) As at 30 April 2012 (restated)	(Unaudited) As at 01 May 2011 (restated)
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	253,865	246,848	207,527
LAND USE RIGHTS	5,245	5,338	733
DEFERRED TAX ASSETS	367	292	566
	<u>259,477</u>	<u>252,478</u>	<u>208,826</u>
<b>CURRENT ASSETS</b>			
Inventories	96,274	92,545	86,685
Trade receivables	73,544	75,402	63,556
Other receivables	23,431	18,278	14,339
Derivative assets	328	241	101
Cash and bank balances	35,379	25,045	26,915
	<u>228,956</u>	<u>211,511</u>	<u>191,596</u>
<b>TOTAL ASSETS</b>	<u>488,433</u>	<u>463,989</u>	<u>400,422</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
SHARE CAPITAL	112,320	112,320	112,320
TREASURY SHARES	(38)	(33)	(23)
RESERVES	193,157	170,338	135,872
<b>TOTAL EQUITY</b>	<u>305,439</u>	<u>282,625</u>	<u>248,169</u>
<b>NON-CURRENT LIABILITIES</b>			
BORROWINGS	28,882	35,167	9,000
DEFERRED TAX LIABILITIES	19,491	19,870	18,026
RETIREMENT BENEFIT OBLIGATIONS	1,981	1,869	1,758
	<u>50,354</u>	<u>56,906</u>	<u>28,784</u>
<b>CURRENT LIABILITIES</b>			
Retirement benefit obligations	46	46	36
Borrowings	68,918	65,691	67,949
Trade payables	26,472	23,660	24,750
Other payables	33,738	34,124	29,570
Tax payable	3,466	937	1,164
Derivative liabilities	-	-	-
	<u>132,640</u>	<u>124,458</u>	<u>123,469</u>
<b>TOTAL LIABILITIES</b>	<u>182,994</u>	<u>181,364</u>	<u>152,253</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>488,433</u>	<u>463,989</u>	<u>400,422</u>
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	<u>0.27</u>	<u>0.25</u>	<u>0.22</u>

*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.*



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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(The figures have not been audited)

Six Months Ended 31 October 2012

	← Attributable to owners of the parent →				Non-controlling Interest	Total Equity	
	Non-distutable		Distutable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings			Total
	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	-	-	341	22,478	22,819	-	22,819
Transactions with owners :							
Acquisition of treasury shares	-	(5)	-	-	(5)	-	(5)
Dividends	-	-	-	-	-	-	-
Total transactions with owners :	-	(5)	-	-	(5)	-	(5)
<b>At 31 October 2012</b>	<b>112,320</b>	<b>(38)</b>	<b>42,984</b>	<b>150,173</b>	<b>305,439</b>	<b>-</b>	<b>305,439</b>

Six Months Ended 31 October 2011

	← Attributable to owners of the parent →				Non-controlling Interest	Total Equity	
	Non-distutable		Distutable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings			Total
	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	-	-	313	18,583	18,896	-	18,896
Transactions with owners :							
Acquisition of treasury shares	-	(5)	-	-	(5)	-	(5)
Dividends	-	-	-	(16,286)	(16,286)	-	(16,286)
Total transactions with owners :	-	(5)	-	(16,286)	(16,291)	-	(16,291)
<b>At 31 October 2011</b>	<b>112,320</b>	<b>(28)</b>	<b>20,699</b>	<b>117,783</b>	<b>250,774</b>	<b>-</b>	<b>250,774</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 2012*

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**NTPM HOLDINGS BERHAD**(Company No. 384662 U)  
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FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	<b>6 months ended 31 October 2012 RM'000</b>	<b>6 months ended 31 October 2011 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	31,468	25,311
Adjustments for:		
Amortisation of land use rights	93	10
Bad debts written off	10	1,052
Depreciation	11,545	10,969
Effect of exchange rate changes	378	342
Interest expense	1,999	1,397
Interest income	(131)	(102)
(Reversal)/ Provision for slow moving stock	-	-
(Gain)/Loss on disposal of property, plant and equipment	-	-
Net fair value (gain)/loss on derivatives	(107)	(152)
Plant and equipment written off	53	2
Provision for retirement benefits	150	190
Impairment loss/(Reversal of impairment loss) on loan and receivables	298	(743)
Unrealised foreign exchange loss/(gain)	224	(10)
Total adjustments	14,512	12,955
<b>Operating cash flows before changes in working capital</b>	45,980	38,266
Changes in working capital		
Increase in receivables	(5,129)	(10,164)
Increase in inventories	(3,728)	(7,570)
Increase/ (Decrease) in payables	2,354	(1,326)
Decrease in retirement benefit obligations	(38)	(117)
Total changes in working capital	(6,541)	(19,177)
<b>Cash flows from operations</b>	39,439	19,089
Interest paid	(1,999)	(1,397)
Tax paid	(7,303)	(7,844)
Tax refunded	2,060	227
<b>Net cash flow generated from operating activities</b>	32,197	10,075
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(18,554)	(12,182)
Interest received	131	102
Proceeds from disposal of plant and equipment	1	-
<b>Net cash used in investing activities</b>	(18,422)	(12,080)
<b>FINANCING ACTIVITIES</b>		
Net change in bank borrowings	3,378	4,369
Repayment of term loans	(6,814)	(4,003)
Drawdown of term loans	-	15,000
Repayment of obligations under finance leases	-	(25)
Dividends paid to shareholders	-	(16,286)
Shares repurchase	(5)	(5)
<b>Net cash used in financing activities</b>	(3,441)	(950)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	10,334	(2,955)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	25,045	26,915
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	35,379	23,960
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	27,199	14,632
Deposits with licensed banks:		
Fixed deposit	7,980	8,028
Short term placements	200	1,300
	35,379	23,960

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

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012

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### NOTES TO THE INTERIM FINANCIAL REPORT

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#### 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 October 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



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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012

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#### 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 October 2011: RM573,000; 30 April 2012: RM573,000) were adjusted to retained earnings.





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### 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:

		<b>1 May 2011 RM'000</b>	<b>31 Oct 2011 RM'000</b>	<b>30 Apr 2012 RM'000</b>
Retirement benefit obligations	2(d)	(764)	(764)	764
Deferred tax liabilities	2(d)	191	191	191
		<u>(573)</u>	<u>(573)</u>	<u>(573)</u>

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 :

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



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012

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### NOTES TO THE INTERIM FINANCIAL REPORT

	Effective for annual periods beginning on or after
MFRSs, Amendments to MFRSs and IC Interpretations	
Amendments to MFRSs contained in the document entitled “ <i>Annual Improvements 2009-2011 Cycle</i> ”	1 January 2013
Amendments to MFRS 101 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Amendments to MFRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	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 RM10.198 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



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

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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 October 2012.

#### **10. Segment information**

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



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012

### NOTES TO THE INTERIM FINANCIAL REPORT

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

	<b>Paper products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>			
Revenue from external customers	173,069	60,316	233,385
<b>Segment profit</b>	26,509	4,959	31,468
Included in the measure of segment profit are			
- depreciation and amortisation	10,172	1,466	11,638
- non-cash expenses other than depreciation and amortisation	455	135	590
<b>Segment assets</b>	414,713	73,720	488,433
Included in the measure of segment assets is			
- capital expenditure	17,323	1,231	18,554

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

	<b>Paper products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>			
Revenue from external customers	176,022	41,836	217,858
<b>Segment profit</b>	21,397	3,914	25,311
Included in the measure of segment profit are			
- depreciation and amortisation	9,626	1,353	10,979
- non-cash expenses other than depreciation and amortisation	146	75	221
<b>Segment assets</b>	352,706	64,805	417,511
Included in the measure of segment assets is			
- capital expenditure	11,095	1,087	12,182



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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012

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#### NOTES TO THE INTERIM FINANCIAL REPORT

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##### 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 RM18.55 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 October 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). Subsequently, NTPM (International) Pte. Ltd. has on 6 November 2012 received a Certificate Investment (“IC”) to establish a wholly owned subsidiary named NTPM (Vietnam) Co. Ltd. to undertake the business activities in relation to the manufacturing, processing tissue paper and products related to tissue paper and manufacturing semi-finished paper rolls. Upon obtaining the approval of the IC, the purchase of the lease of land had been subsequently paid in full.
- b) Subsequent to the financial period, the Company had repurchased a total of 9,566,700 ordinary shares of RM0.10 each of its issued share capital from the open market for a total cash consideration (inclusive of commission, stamp duty and other charges) of RM4,137,566 at an average cost of RM0.432 per share. The repurchase transactions were financed by internally generated funds. The repurchase shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012

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### NOTES TO THE INTERIM FINANCIAL REPORT

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#### 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 other than as disclosed below:

- a) The Company's wholly-owned subsidiary, NTPM (Singapore) Pte. Ltd. has on 24 September 2012 acquired two (2) ordinary shares, representing the entire issued and paid-up share capital NTPM (International) Pte. Ltd. ("NTPM International"). NTPM International was incorporated in Singapore on 14 August 2012 as a private company limited by shares and its total issued and paid up share capital is Singapore Dollars Two ("SGD2") only.

The intended principal activities of NTPM International are manufacturing of paper products and other consumer goods, general wholesale trade and investment holding.

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

The corporate guarantees of the Company are as follows:

	<b>As at 31.10.2012</b>	<b>As at 30.4.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	<u>97,800</u>	<u>100,858</u>



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#### 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	
	31.10.2012	31.10.2011	31.10.2012	31.10.2011
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Paper Products	88,806	88,914	173,069	176,022
Personal Care Products	29,718	21,994	60,316	41,836
<b>Group</b>	<b>118,524</b>	<b>110,908</b>	<b>233,385</b>	<b>217,858</b>
<b>Profit before tax</b>				
Paper Products	14,409	10,760	26,509	21,397
Personal Care Products	2,544	2,189	4,959	3,914
<b>Group</b>	<b>16,953</b>	<b>12,949</b>	<b>31,468</b>	<b>25,311</b>

#### Group

Group revenue for the six months period ended 31 October 2012 was RM233.4 million compared with RM217.9 million for the six months period ended 31 October 2011, an increase of 7.1%. 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 October 2012 was RM31.5 million, an increase of 24.3% over the RM25.3 million registered in the preceding year corresponding quarter. The increase in profit before taxation was mainly due to higher average selling price for tissue products and favorable pulp & waste paper price.

For the three months second quarter ended 31 October 2012, Group revenue grew by 6.9% from RM110.9 million to RM118.5 million while profit before taxation increased by 31.0% from RM12.9 million to RM16.9 million as compared to the corresponding quarter in 2011. The increase in revenue is mainly due to the contribution from sales of baby diapers. The increase in profit before taxation was mainly due to higher average selling price for tissue products and favorable pulp & waste paper price.



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#### Paper Products segment

Revenue from the paper products segment for the six months period ended 31 October 2012 was RM173.1 million compared with RM176.0 million for the six months period ended 31 October 2011, a decrease of 1.7%. The decrease in revenue was mainly due to the decrease in sales of tissue products in the export market. The profit before taxation in the paper products segment for the period ended 31 October 2012 was RM26.5 million, an increase of 23.9% over the RM21.4 million registered in the corresponding period of the previous financial year. The increase in profit before taxation was mainly due to favorable pulp and waste paper prices and higher average selling price for tissue products.

#### Personal Care Products segment

Revenue from the personal care products segment for the six months period ended 31 October 2012 was RM60.3 million compared with RM41.8 million recorded in the previous year corresponding period, an increase of 44.2%. The increase in revenue was mainly due to the increase in sales of baby diaper. The profit before taxation in the personal care products segment for the period ended 31 October 2012 was RM4.9 million, an increase of 26.7% over the RM3.9 million registered in the corresponding period 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	
	31.10.2012	31.07.2012	RM'000	%
	RM'000	RM'000		
Revenue	118,524	114,861	3,663	3.2
Profit before tax	16,953	14,515	2,438	16.8

The revenue for the quarter ended 31 October 2012 increased by RM3.6 million or 3.2% and profit before taxation increased by RM2.4 million or 16.8% for the current quarter as compared to the preceding quarter. The increase in profit before tax was mainly due to the increase in revenue and the net fair value gain on derivatives of RM0.56 million in the current quarter compared to a net fair value loss of RM0.46 million loss in the preceding quarter.





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#### 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 October 2012 RM'000	Year-to-date 6 months ended 31 October 2012 RM'000
Income tax		
Current year	4,810	9,457
Prior year	-	-
	<u>4,810</u>	<u>9,457</u>
Deferred tax		
Current year	(122)	(467)
Prior year		
	<u>4,688</u>	<u>8,990</u>

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 fixed 22 February 2013 as the date of case management. Consequently, no provision for the additional tax liabilities and penalties in dispute has been made to date.



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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 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.

#### 21. Group borrowings

	31 October 2012 RM'000
<b>Non-current</b>	
<b>Unsecured</b>	
Long term loan	<u>28,882</u>
<b>Current</b>	
<b>Unsecured</b>	
Bankers' acceptance	51,191
Export credit refinancing	-
Onshore Foreign Currency Loan(OFCL)	4,156
Term loans	13,571
	<u>68,918</u>

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.



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### NOTES TO THE INTERIM FINANCIAL REPORT

As at 31 October 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) RM'000	Maturity Date
	FC '000	RM'000	RM'000		
<b><u>Non-Hedging Derivatives</u></b>					
<b><u>Bank Buy</u></b>					
Singapore Dollar	4,017	10,122	10,050	72	09 Nov 2012 – 08 Apr 2012
US Dollar	4,200	13,269	12,968	301	30 Nov 2012 – 28 May 2013
<b><u>Bank Sell</u></b>					
US Dollar	1,309	4,025	4,000	(25)	27 Nov 2012
<b><u>Hedging Derivatives</u></b>					
<b><u>Bank Sell</u></b>					
US Dollar	1,532	4,729	4,708	(21)	31 Jan 2013

Derivatives financial instruments that are not designated or do not qualify for hedge accounting 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 and financial period ended 31 October 2012, the Group recognised a gain before tax of RM563,000 and RM107,000 respectively 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 applies hedge accounting for certain hedging relationships which qualify for hedge accounting and these include forward currency exchange contracts that are entered into to hedge future foreign currency risk in an unrecognised firm 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.

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.



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### NOTES TO THE INTERIM FINANCIAL REPORT

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 October 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 October 2012.

In the corresponding financial period ended 31 October 2011, a single tier final dividend of 14.5% amounting to RM16,285,689 in respect of the financial year ended 30 April 2011 on 1,123,151,000 ordinary shares of RM0.10 each (1.45sen per share) was paid on 18 October 2011.

The total net dividend per share to date for the current financial year is Nil (2012: 1.45sen).

#### 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 October		6 Months Period Ended 31 October	
	2012	2011	2012	2011
Net profit attributable to shareholders (RM'000)	12,265	9,355	22,478	18,583
Weighted average number of ordinary shares in issue ('000)	1,123,137	1,123,157	1,123,139	1,123,159
Basic earnings per share (sen)	1.1	0.8	2.0	1.7



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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 26. Realised and Unrealised Profits/Losses

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

	As at 31//10/2012 RM'000	As at 30//04/2012 RM'000
Total retained profits of the Company and its subsidiaries : -		
-Realised	138,003	116,115
-Unrealised	(11,956)	(13,450)
	<hr/> 126,047	<hr/> 102,665
Add/(Less) : Consolidation adjustments	24,126	25,030
	<hr/> 150,173	<hr/> 127,695

**By Order of the Board**

**Company Secretary**

**DATED THIS 14<sup>th</sup> DAY OF DECEMBER, 2012.**