NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2013

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 2013	31 October 2012	31 October 2013	31 October 2012
	RM'000	RM'000	RM'000	RM'000
Revenue	**126,872**	**118,524**	**251,629**	**233,385**
Operating profit	**21,477**	**17,902**	**39,061**	**33,336**
Interest income	120	62	194	131
Interest expense	(961)	(1,011)	(2,036)	(1,999)
Profit before taxation	**20,636**	**16,953**	**37,219**	**31,468**
Taxation	(4,615)	(4,688)	(9,224)	(8,990)
Profit after taxation	**16,021**	**12,265**	**27,995**	**22,478**
Profit attributable to:				
Owners of the parent	16,021	12,265	27,995	22,478
Non-controlling interests	-	-	-	-
	16,021	**12,265**	**27,995**	**22,478**
Basic/Diluted earnings per ordinary share (sen)	1.4	1.1	2.5	2.0

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2013.

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 OCTOBER 2013

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 2013	31 October 2012	31 October 2013	31 October 2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	16,021	12,265	27,995	22,478
Other comprehensive income :				
Items that may be reclassified subsequently to profit or loss :				
Foreign currency translation	(739)	(182)	(37)	325
Cash flow hedges	-	(21)	-	(21)
Items that will not be reclassified subsequently to profit or loss :				
Revaluation of land and building	-	-	-	37
Total comprehensive income for the period	**15,282**	**12,062**	**27,958**	**22,819**
Total comprehensive income attributable to:				
Owners of the parent	15,282	12,062	27,958	22,819
Non-controlling interests	-	-	-	-
	15,282	**12,062**	**27,958**	**22,819**

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2013.

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 OCTOBER 2013

NOTES TO 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 2013	31 October 2012	31 October 2013	31 October 2012
		RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :					
(a)	Interest income	(120)	(62)	(194)	(131)
(b)	Other income including investment income	(450)	(268)	(788)	(613)
(c)	Interest expense	961	1,011	2,036	1,999
(d)	Depreciation and amortisation	6,587	5,735	12,840	11,638
(e)	Provision for and write off of receivables	188	158	338	308
(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)	(173)	(33)	(452)	(60)
(j)	(Gain)/loss on derivatives	(1,076)	(563)	194	(107)
(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 2013.

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 OCTOBER 2013

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 October 2013	(Audited) As at 30 April 2013
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	274,633	273,438
LAND USE RIGHTS	20,188	20,091
DEFERRED TAX ASSETS	428	381
	295,249	293,910
CURRENT ASSETS		
Inventories	90,742	93,512
Trade receivables	81,201	79,363
Other receivables	32,375	21,201
Derivative assets	79	274
Cash and bank balances	41,647	31,438
	246,044	225,788
TOTAL ASSETS	541,293	519,698
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(6)	(5,738)
RESERVES	217,879	203,805
TOTAL EQUITY	330,193	310,387
NON-CURRENT LIABILITIES		
BORROWINGS	15,895	22,066
DEFERRED TAX LIABILITIES	20,049	20,775
RETIREMENT BENEFIT OBLIGATIONS	2,134	2,041
	38,078	44,882
CURRENT LIABILITIES		
Retirement benefit obligations	98	98
Borrowings	104,503	93,551
Trade payables	22,406	27,783
Other payables	40,966	39,577
Tax payable	5,049	3,420
Derivative liabilities	-	-
	173,022	164,429
TOTAL LIABILITIES	211,100	209,311
TOTAL EQUITY AND LIABILITIES	541,293	519,698
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	0.30	0.28

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2013.

The accompanying notes are an integral part of this statement.

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2013

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Six Months Ended 31 October 2013

	Attributable to owners of the parent					Non-controlling Interest	Total Equity
	Non-distributable			Distributable			
	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 2013	112,320	(5,737)	43,073	160,731	310,387	-	310,387
Total comprehensive income for the period	-	-	(37)	27,995	27,958	-	27,958
Transactions with owners :							
Purchase of treasury shares	-	(95)	-	-	(95)	-	(95)
Resale of treasury shares	-	5,826	-	2,403	8,229	-	8,229
Dividends	-	-	-	(16,286)	(16,286)	-	(16,286)
Total transactions with owners :	-	5,731	-	(13,883)	(8,152)	-	(8,152)
At 31 October 2013	**112,320**	**(6)**	**43,036**	**174,843**	**330,193**	**-**	**330,193**

Six Months Ended 31 October 2012

	Attributable to owners of the parent					Non-controlling Interest	Total Equity
	Non-distributable			Distributable			
	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	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 :							
Purchase of treasury shares	-	(5)	-	-	(5)	-	(5)
Dividends	-	-	-	-	-	-	-
Total transactions with owners :	-	(5)	-	-	(5)	-	(5)
At 31 October 2012	**112,320**	**(38)**	**42,984**	**150,173**	**305,439**	**-**	**305,439**

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2013

The accompanying notes are an integral part of this statement.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	6 months ended 31 October 2013 RM'000	6 months ended 31 October 2012 RM'000
OPERATING ACTIVITIES		
Profit before tax	37,219	31,468
Adjustments for:		
Amortisation of land use rights	237	93
Bad debts written off	38	10
Depreciation	12,603	11,545
Effect of exchange rate changes	(265)	378
Interest expense	2,036	1,999
Interest income	(194)	(131)
(Gain)/Loss on disposal of property, plant and equipment	(8)	-
Net fair value (gain)/loss on derivatives	194	(107)
Plant and equipment written off	150	53
Increase in liability for defined benefit plan	209	150
Impairement loss/(Reversal of impairment loss) on loan and receivables	300	298
Unrealised foreign exchange loss/(gain)	(167)	224
Total adjustments	15,133	14,512
Operating cash flows before changes in working capital	52,352	45,980
Changes in working capital		
Increase in receivables	(13,151)	(5,129)
(Decrease)/Increase in inventories	2,770	(3,728)
Decrease/(Increase) in payables	(4,229)	2,354
Decrease in retirement benefit obligations	(116)	(38)
Total changes in working capital	(14,726)	(6,541)
Cash flows from operations	37,626	39,439
Interest paid	(2,036)	(1,999)
Tax paid	(8,659)	(7,303)
Tax refunded	444	2,060
Net cash flow generated from operating activities	27,375	32,197
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,935)	(18,554)
Interest received	194	131
Proceeds from disposal of plant and equipment	10	1
Net cash used in investing activities	(13,731)	(18,422)
FINANCING ACTIVITIES		
Net change in bank borrowings	11,514	3,378
Repayment of term loans	(6,797)	(6,814)
Drawndown of term loans	-	-
Dividends paid to shareholders	(16,286)	-
Purchase of treasury shares	(95)	-
Resale of treasury shares	8,229	(5)
Net cash used in financing activities	(3,435)	(3,441)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,209	10,334
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	31,438	25,045
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	41,647	35,379

Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	31,497	27,199
Deposits with licensed banks:		
Fixed deposit	10,150	7,980
Short term placements	-	200
	41,647	35,379

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2013.

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. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2013.

2. Significant accounting policies

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 2013 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2013:

- MFRS 3: Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
- MFRS 10: Consolidated Financial Statements
- MFRS 11: Joint Arrangements
- MFRS 12: Disclosure of Interests in Other Entities
- MFRS 13: Fair Value Measurement
- MFRS 119: Employee Benefits
- MFRS 127: Separate Financial Statements
- MFRS 127: Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)
- MFRS 128: Investments in Associates and Joint Ventures
- Amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132, MFRS 134: Annual Improvements 2009-2011 Cycle
- Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10, MFRS 11 and MFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
- Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The adoption of the above MFRs and amendments to MFRs did not have material impact on the financial statements upon the initial application on 1 May 2013 except as discussed below:

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted. Based on the initial assessment upon adoption of this MFRS 13, the Group does not foresee any material impact on its financial position or performance except for additional disclosure on the fair value measurement and hierarchy.

MFRS 119 Employee Benefits

The Group has adopted MFRS 119 and applied this standard retrospectively during the current period. Based on the initial assessment upon adoption of this MFRS 119, the Group does not foresee any material impact on the Group's financial position or performance.

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The adoption of this amendment affects presentation only and has no impact on the Group's financial position and performance.

MFRS 9 Financial Instruments: Classification and Measurement

MFRS 9 reflects the first phase of the work on the replacement of MFRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

The standards and interpretations that are issued but not yet effective up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	**Effective for annual periods beginning on or after**
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
MFRS 9 Financial Instruments	1 January 2015
IC Interpretation 21 Levies	1 January 2014

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of 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 adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE INTERIM FINANCIAL REPORT

(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 RM16.688 million (30.4.2013: RM14.004 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 2013 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.

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 except for the following:

(a) Share Repurchase & Share Reissue

On 28 Aug 2013, the Company had repurchased a total of 166,000 ordinary shares of RM0.10 each of its issued share capital from the open market for a total consideration (inclusive of transaction cost) of RM89,103 at an average cost of RM0.537 per share.

On 23 Sep 2013, all the treasury shares held totaling 13,301,900 were resold for a total net sales proceeds (net of transaction cost) of RM8,229,484. The average net selling price of the treasury shares was RM0.62 per share.

On 27 Sep 2013, the Company had repurchased a total of 10,000 ordinary shares of RM0.10 each of its issued share capital from the open market for a total consideration (inclusive of transaction cost) of RM6,387 at an average cost of RM0.63 per share.

The repurchased transactions were financed by internally generated fund. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965. As at 31 October 2013, the total number of treasury shares held were 10,000 or 0.0009% of the total paid up share capital of the Company.

9. Dividend paid

The single tier final dividend of 14.5% amounting to RM16,286,400 in respect of the financial year ended 30 April 2013 on 1,123,200,000 ordinary shares of RM0.10 each (1.45sen per share) was paid on 11 October 2013.

NOTES TO THE INTERIM FINANCIAL REPORT

10. Segment information

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

Segment information for the period ended 31 October 2013 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	180,033	71,596	251,629
Segment profit	29,565	7,654	37,219
Included in the measure of segment profit are			
- depreciation and amortisation	10,935	1,905	12,840
- non-cash expenses other than depreciation and amortisation	333	267	600
Segment assets	442,589	98,704	541,293
Included in the measure of segment assets is			
- capital expenditure	11,539	2,396	13,935

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

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	173,069	60,316	233,385
Segment profit	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
Segment assets	414,713	73,720	488,433

Included in the measure of segment assets is - capital expenditure	17,323	1,231	18,554

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 2013. 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 and disposal of property, plant and equipment amounted to RM13.935 million and RM0.01 million respectively.

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 2013 that have not been reflected in the interim financial statements as at the date of this report.

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 corporate guarantees, contingent liabilities or contingent assets

The corporate guarantees of the Company are as follows:

		As at 31.10.2013 RM'000	As at 30.04.2013 RM'000
(a)	Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	120,398	115,617

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	
	31.10.2013 RM'000	31.10.2012 RM'000	31.10.2013 RM'000	31.10.2012 RM'000
Revenue				
Paper Products	91,282	88,806	180,033	173,069
Personal Care Products	35,590	29,718	71,596	60,316
Group	126,872	118,524	251,629	233,385
Profit before tax				
Paper Products	16,836	14,409	29,565	26,509
Personal Care Products	3,800	2,544	7,654	4,959
Group	20,636	16,953	37,219	31,468

Group

Group revenue for period ended 31 October 2013 was RM251.6 million compared with RM233.4 million for the period ended 31 October 2012, an increase of 7.8%. The increase in revenue was mainly due to the increase in sales of tissue and baby diapers in the domestic market. The Group's profit before taxation for the period ended 31 October 2013 was RM37.2 million, an increase of 18.3% over the RM31.5 million registered in the preceding year corresponding quarter. The increase in profit before taxation was mainly due to higher margin for tissue products and higher sales contribution from personal care segment.

Paper Products segment

Revenue from the paper products segment for the period ended 31 October 2013 was RM180.0 million compared with RM173.1 million for the corresponding period ended 31 October 2012, an increase of 4.0%. The increase in revenue was mainly due to higher demand of tissue products in the domestic market. The profit before taxation in the paper products segment for the period ended 31 October 2013 was RM29.6 million, an increase of 11.5%

over the RM26.5 million registered in the corresponding period of the previous financial year. The increase in profit before taxation was mainly due to higher sales margin for tissue products.

Personal Care Products segment

Revenue from the personal care products segment for the period ended 31 October 2013 was RM71.6 million compared with RM60.3 million recorded in the previous year corresponding period, an increase of 18.7%. The increase in revenue was mainly due to the increase in sales of baby diapers. The profit before taxation in the personal care products segment for the period ended 31 October 2013 was RM7.7 million, an increase of 54.3% over the RM5.0 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	
	31.10.2013	31.07.2013		
	RM'000	RM'000	RM'000	%
Revenue	126,872	124,757	2,115	1.7
Profit before tax	20,636	16,583	4,053	24.4

The revenue for the quarter ended 31 October 2013 increased by RM2.1 million or 1.7% while profit before taxation increased by RM4.1 million or 24.4% for the current quarter as compared to the preceding quarter. The increase in profit before tax was mainly attributable to the fair value changes of the mark to market financial derivatives of approximately RM1.1 million due to the strengthening of Ringgit Malaysia against other currencies namely United States Dollar and Singapore Dollar compared to a loss of RM1.3 million in the preceding quarter.

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 2014. 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 2013 RM'000	Year-to-date 6 months ended 31 October 2013 RM'000
Income tax		
Current year	5,079	9,998
Prior year	-	-
	5,079	9,998
Deferred tax		
Current year	(464)	(774)
Prior year	-	-
	4,615	9,224

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 2013 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 11 February 2014 as the date of hearing. 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.

NOTES TO THE INTERIM FINANCIAL REPORT

21. Group borrowings

	31 October 2013 RM'000
Non-current	
Unsecured	
Long term loan	15,895
Current	
Unsecured	
Bankers' acceptance	42,035
Export credit refinancing	16,119
Onshore Foreign Currency Loan(OFCL)	17,221
Revolving Credit (RC)	16,143
Term loans	12,985
	104,503

The above borrowings are denominated in Ringgit Malaysia except for Onshore Foreign Currency Loan(OFCL) and Revolving Credit(RC) which are 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 October 2013, 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	
Non-Hedging Derivatives					
Bank Buy					
Singapore Dollar	4,014	10,250	10,222	28	12 Nov 2013 – 29 Jan 2014
US Dollar	6,000	19,265	19,202	63	17 Mar 2014 – 28 July 2014

Foreign Currency	Outstanding Contract Amount		Fair Value	Derivative Assets/ (Liabilities)	Maturity Date
Bank Sell					
US Dollar	2,560	8,107	8,095	(12)	1 Nov 2013 – 29 Jan 2014

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 2013, the Group recognised a profit before tax of RM1,076,000 and loss before tax RM194,000 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 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 October 2013. 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 2013.

23. Material litigation

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

24. Dividend

The single tier final dividend of 14.5% amounting to RM16,286,400 in respect of the financial year ended 30 April 2013 on 1,123,200,000 ordinary shares of RM0.10 each (1.45sen per share) was paid on 11 October 2013.

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 30 October		6 Months Period Ended 31 October	
	2013	**2012**	**2013**	**2012**
Net profit attributable to shareholders (RM'000)	16,021	12,265	27,995	22,478
Weighted average number of ordinary shares in issue ('000)	1,115,439	1,123,137	1,112,752	1,123,139
Basic earnings per share (sen)	1.4	1.1	2.5	2.0

26. Realised and Unrealised Profits/Losses

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

	As at 31/10/2013 RM'000	As at 30//04/2013 RM'000
Total retained profits of the Company and its subsidiaries : -		
-Realised	162,871	149,087
-Unrealised	(12,557)	(13,167)
	150,314	135,920
Add/(Less) : Consolidation adjustments	24,529	24,811
Total group retained profits as per consolidated accounts	174,843	160,731

By Order of the Board

Company Secretary

DATED THIS 13th DAY OF DECEMBER, 2013.