



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 January 2014	31 January 2013	31 January 2014	31 January 2013
	RM'000	RM'000	RM'000	RM'000
Revenue	132,854	127,521	384,483	360,906
Operating profit	19,726	19,838	58,787	53,174
Interest income	54	70	248	201
Interest expense	(933)	(1,089)	(2,969)	(3,088)
Profit before taxation	18,847	18,819	56,066	50,287
Taxation	(4,654)	(4,992)	(13,878)	(13,982)
Profit after taxation	14,193	13,827	42,188	36,305
Profit attributable to:				
Owners of the parent	14,193	13,827	42,188	36,305
Non-controlling interests	-	-	-	-
	14,193	13,827	42,188	36,305
Basic/Diluted earnings per ordinary share (sen)	1.3	1.2	3.8	3.2

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 JANUARY 2014

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	31 January 2014	31 January 2013	31 January 2014	31 January 2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	14,193	13,827	42,188	36,305
Other comprehensive income :				
<i>Items that may be reclassified subsequently to profit or loss :</i>				
Foreign currency translation	954	365	917	690
Cash flow hedges	-	21	-	-
<i>Items that will not be reclassified subsequently to profit or loss :</i>				
Revaluation of land and building	-	-	-	37
Total comprehensive income for the period	15,147	14,213	43,105	37,032
Total comprehensive income attributable to:				
Owners of the parent	15,147	14,213	43,105	37,032
Non-controlling interests	-	-	-	-
	15,147	14,213	43,105	37,032

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 JANUARY 2014

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 January 2014	31 January 2013	31 January 2014	31 January 2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(54)	(70)	(248)	(201)
(b) Other income including investment income	(521)	(342)	(1,309)	(955)
(c) Interest expense	933	1,089	2,969	3,088
(d) Depreciation and amortisation	6,580	5,742	19,420	17,380
(e) Provision for and write off of receivables	150	167	488	475
(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)	228	(582)	(224)	(642)
(j) Loss on derivatives	842	809	1,036	702

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 JANUARY 2014****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited) As at 31 January 2014	(Audited) As at 30 April 2013
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	292,254	273,438
LAND USE RIGHTS	21,016	20,091
DEFERRED TAX ASSETS	373	381
	<u>313,643</u>	<u>293,910</u>
CURRENT ASSETS		
Inventories	89,997	93,512
Trade receivables	89,325	79,363
Other receivables	29,428	21,201
Derivative assets	-	274
Cash and bank balances	33,654	31,438
	<u>242,404</u>	<u>225,788</u>
TOTAL ASSETS	<u>556,047</u>	<u>519,698</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(6)	(5,738)
RESERVES	233,026	203,805
TOTAL EQUITY	<u>345,340</u>	<u>310,387</u>
NON-CURRENT LIABILITIES		
BORROWINGS	13,472	22,066
DEFERRED TAX LIABILITIES	19,409	20,775
RETIREMENT BENEFIT OBLIGATIONS	2,180	2,041
	<u>35,061</u>	<u>44,882</u>
CURRENT LIABILITIES		
Retirement benefit obligations	98	98
Borrowings	99,661	93,551
Trade payables	26,428	27,783
Other payables	42,662	39,577
Tax payable	6,035	3,420
Derivative liabilities	762	-
	<u>175,646</u>	<u>164,429</u>
TOTAL LIABILITIES	<u>210,707</u>	<u>209,311</u>
TOTAL EQUITY AND LIABILITIES	<u>556,047</u>	<u>519,698</u>
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	<u>0.31</u>	<u>0.28</u>

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

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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Nine Months Ended 31 January 2014

	← 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	
At 1 May 2013	112,320	(5,738)	43,073	160,732	310,387	-	310,387
Total comprehensive income for the period	-	-	917	42,188	43,105	-	43,105
Transactions with owners :							
Purchase of treasury shares	-	(95)	-	-	(95)	-	(95)
Resale of treasury shares	-	5,827	-	2,402	8,229	-	8,229
Dividends	-	-	-	(16,286)	(16,286)	-	(16,286)
Total transactions with owners :	-	5,732	-	(13,884)	(8,152)	-	(8,152)
At 31 January 2014	112,320	(6)	43,990	189,036	345,340	-	345,340

Nine Months Ended 31 January 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	
At 1 May 2012	112,320	(33)	42,643	127,695	282,625	-	282,625
Total comprehensive income for the period	-	-	727	36,305	37,032	-	37,032
Transactions with owners :							
Purchase of treasury shares	-	(5,657)	-	-	(5,657)	-	(5,657)
Dividends	-	-	-	-	-	-	-
Total transactions with owners :	-	(5,657)	-	-	(5,657)	-	(5,657)
At 31 January 2013	112,320	(5,690)	43,370	164,000	314,000	-	314,000

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

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NTPM HOLDINGS BERHAD

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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	9 months ended 31 January 2014 RM'000	9 months ended 31 January 2013 RM'000
OPERATING ACTIVITIES		
Profit before tax	56,066	50,287
Adjustments for:		
Amortisation of land use rights	358	125
Bad debts written off	38	26
Depreciation	19,062	17,255
Effect of exchange rate changes	(447)	744
Interest expense	2,969	3,088
Interest income	(248)	(201)
Loss on disposal of property, plant and equipment	22	-
Net fair value loss on derivatives	1,036	702
Plant and equipment written off	150	223
Increase in liability for defined benefit plan	265	221
Impairment loss on loan and receivables	450	449
Unrealised foreign exchange (gain)/loss	(167)	224
Total adjustments	23,488	22,856
Operating cash flows before changes in working capital	79,554	73,143
Changes in working capital		
Increase in receivables	(18,331)	(7,483)
Decrease/(Increase) in inventories	3,515	(488)
Increase in payables	1,487	2,574
Decrease in retirement benefit obligations	(126)	(52)
Total changes in working capital	(13,455)	(5,449)
Cash flows from operations	66,099	67,694
Interest paid	(2,969)	(3,088)
Tax paid	(13,059)	(11,379)
Tax refunded	444	2,065
Net cash flow generated from operating activities	50,515	55,292
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,946)	(44,003)
Acquisition of land use rights	(15)	(15,213)
Interest received	248	201
Proceeds from disposal of plant and equipment	114	1
Net cash used in investing activities	(37,599)	(59,014)
FINANCING ACTIVITIES		
Net change in bank borrowings	7,652	20,155
Repayment of term loans	(10,200)	(10,199)
Dividends paid to shareholders	(16,286)	-
Purchase of treasury shares	(95)	(5,657)
Resale of treasury shares	8,229	-
Net cash (used in)/from financing activities	(10,700)	4,299
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,216	577
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	31,438	25,045
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	33,654	25,622
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	19,534	17,314
Deposits with licensed banks:		
Fixed deposit	10,090	8,308
Short term placements	4,030	-
	33,654	25,622

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

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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

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



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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

NOTES TO THE INTERIM FINANCIAL REPORT

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.

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:



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

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
IC Interpretation 21 Levies	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced

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.



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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

NOTES TO THE INTERIM FINANCIAL REPORT

(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 RM18.237 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.



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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

NOTES TO THE INTERIM FINANCIAL REPORT

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 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.



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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

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 January 2014 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	277,430	107,053	384,483
Segment profit	45,424	10,642	56,066
Included in the measure of segment profit are			
- depreciation and amortisation	16,427	2,993	19,420
- non-cash expenses other than depreciation and amortisation	1,358	272	1,630
Segment assets	452,193	103,854	556,047
Included in the measure of segment assets is			
- capital expenditure	26,691	11,255	37,946

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

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	267,100	93,806	360,906
Segment profit	42,720	7,567	50,287
Included in the measure of segment profit are			
- depreciation and amortisation	15,170	2,210	17,380
- non-cash expenses other than depreciation and amortisation	1,410	167	1,577



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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

Segment assets	<u>430,519</u>	<u>81,601</u>	<u>512,120</u>
Included in the measure of segment assets is - capital expenditure	<u>31,840</u>	<u>12,163</u>	<u>44,003</u>

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 RM37.95 million and RM0.11 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 January 2014 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 31.01.2014	As at 30.04.2013
	RM'000	RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	<u>113,133</u>	<u>115,617</u>



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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

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	
	31.01.2014	31.01.2013	31.01.2014	31.01.2013
	RM'000	RM'000	RM'000	RM'000
Revenue				
Paper Products	97,397	94,032	277,430	267,100
Personal Care Products	35,457	33,489	107,053	93,806
Group	132,854	127,521	384,483	360,906
Profit before tax				
Paper Products	15,860	16,211	45,424	42,720
Personal Care Products	2,987	2,608	10,642	7,567
Group	18,847	18,819	56,066	50,287

Group

Group revenue for the period ended 31 January 2014 was RM384.5 million compared with RM360.9 million for the period ended 31 January 2013, an increase of 6.5%. 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 January 2014 was RM56.1 million, an increase of 11.5% over the RM50.3 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 January 2014 was RM277.4 million compared with RM267.1 million for the corresponding period ended 31 January 2013, an increase of 3.9%. The increase in revenue was mainly due to higher demand for tissue products in the domestic market. The profit before taxation in the paper products segment for the period ended 31 January 2014 was RM45.4 million, an increase of 6.3% over the RM42.7



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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

NOTES TO THE INTERIM FINANCIAL REPORT

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 January 2014 was RM107.1 million compared with RM93.8 million recorded in the previous year corresponding period, an increase of 14.1%. 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 January 2014 was RM10.6 million, an increase of 40.6% over the RM7.6 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	
	31.01.2014	31.10.2013	RM'000	%
	RM'000	RM'000		
Revenue	132,854	126,872	5,982	4.7
Profit before tax	18,847	20,636	(1,789)	(8.7)

The revenue for the quarter ended 31 January 2014 increased by RM6.0 million or 4.7% while profit before taxation decreased by RM1.8 million or 8.7% for the current quarter as compared to the preceding quarter. The decrease in profit before tax was mainly attributable to the increase in cost of imported raw materials and the loss on fair value of the marked to market financial derivatives of approximately RM0.84 million due to the weakening of Ringgit Malaysia against major trading currencies such as US Dollars and Singapore Dollars as opposed to a gain of RM1.1 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.



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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

18. Variance of actual profit from profit forecast

Not applicable.

19. Taxation

	Current Quarter 3 months ended 31 January 2014 RM'000	Year-to-date 9 months ended 31 January 2014 RM'000
Income tax		
Current year	5,296	15,294
Prior year	(56)	(56)
	<hr/> 5,240	<hr/> 15,238
Deferred tax		
Current year	(648)	(1,422)
Prior year	62	62
	<hr/> 4,654	<hr/> 13,878

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 recent decisions of the Court of Appeal. The appeal was fixed for hearing on 11 and 12 February 2014. On 11 February 2014, the Special Commissioners of Income Tax ("SCIT") were informed that both parties have agreed to settle the issues, pending the IRB obtaining the final approval of the Director General of Inland Revenue Board. In this regard, the SCIT vacated the hearing initially fixed on 11 February 2014 and directed both parties to file the settlement agreement on 11 April 2014. Based on our initial assessment of the settlement agreement, the Group does not foresee the settlement having any material adverse impact on its financial position or performance.

20. Status on corporate proposals

There were no significant corporate proposals for the current financial period to date.



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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

21. Group borrowings

	31 January 2014
	RM'000
Non-current	
Unsecured	
Long term loan	<u>13,472</u>
Current	
Unsecured	
Bankers' acceptance	41,883
Export credit refinancing	10,124
Onshore Foreign Currency Loan(OFCL)	19,918
Revolving Credit (RC)	15,730
Term loans	12,006
	<u>99,661</u>

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 January 2014, 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		
<u>Non-Hedging Derivatives</u>					
<u>Bank Buy</u>					
Singapore Dollar	5,473	14,242	14,369	(127)	10 Feb 2014 – 20 May 2014
US Dollar	4,800	15,605	16,240	(635)	17 Mar 2014 – 19 Dec 2014



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

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 January 2014, the Group recognised a loss on derivative of RM842,000 and RM1,036,000 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 January 2014. 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

A single tier interim dividend of 14.5% amounting to RM16,286,255 in respect of the financial year ending 30 April 2014 on 1,123,190,000 ordinary shares of RM0.10 each (1.45sen per share) has been declared on 21 March 2014 and is to be paid on 16 April 2014 to depositors registered in the records of Depositors at the close of business on 7 April 2014. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the quarter ending 30 April 2014.

In the corresponding financial period ended 31 January 2013, a single tier interim dividend of 14.5% amounting to RM16,095,929 in respect of the financial year ended 30 April 2013 on 1,110,064,100 ordinary shares of RM0.10 each (1.45sen per share) was paid on 8 April 2013.

The total net dividend per share to date for the current financial year is 1.45sen (2013: 1.45sen)



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

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2014**

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 January		9 Months Period Ended 31 January	
	2014	2013	2014	2013
Net profit attributable to shareholders (RM'000)	14,193	13,827	42,188	36,305
Weighted average number of ordinary shares in issue ('000)	1,123,190	1,116,051	1,116,231	1,120,776
Basic earnings per share (sen)	1.3	1.2	3.8	3.2

26. Realised and Unrealised Profits/Losses

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

	As at 31/01/2014 RM'000	As at 30/04/2013 RM'000
Total retained profits of the Company and its subsidiaries : -		
-Realised	176,418	149,087
-Unrealised	(12,075)	(13,167)
	<hr/>	<hr/>
	164,343	135,920
Add/(Less) : Consolidation adjustments	24,693	24,812
	<hr/>	<hr/>
Total group retained profits as per consolidated accounts	189,036	160,732

By Order of the Board

Company Secretary

DATED THIS 21st DAY OF MARCH, 2014.