



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

### 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 2014	31 October 2013	31 October 2014	31 October 2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>138,091</b>	<b>133,654</b> Restated	<b>270,335</b>	<b>265,404</b> Restated
<b>Operating profit</b>	<b>13,967</b>	<b>21,477</b>	<b>24,891</b>	<b>39,061</b>
Interest income	159	120	232	194
Interest expense	(1,569)	(961)	(2,722)	(2,036)
<b>Profit before tax</b>	<b>12,557</b>	<b>20,636</b>	<b>22,401</b>	<b>37,219</b>
Income tax expense	(3,359)	(4,615)	(6,201)	(9,224)
<b>Profit net of tax</b>	<b>9,198</b>	<b>16,021</b>	<b>16,200</b>	<b>27,995</b>
<b>Profit attributable to:</b>				
Owners of the parent	9,198	16,021	16,200	27,995
Non-controlling interests	-	-	-	-
	<b>9,198</b>	<b>16,021</b>	<b>16,200</b>	<b>27,995</b>
Basic/Diluted earnings per ordinary share (sen)	0.8	1.4	1.4	2.5

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014.

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 2014

### 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 2014	31 October 2013	31 October 2014	31 October 2013
	RM'000	RM'000	RM'000	RM'000
<b>Profit net of tax</b>	9,198	16,021	16,200	27,995
<b>Other comprehensive income :</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	222	(739)	(103)	(37)
<b>Total comprehensive income for the period</b>	<b>9,420</b>	<b>15,282</b>	<b>16,097</b>	<b>27,958</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	9,420	15,282	16,097	27,958
Non-controlling interests	-	-	-	-
	<b>9,420</b>	<b>15,282</b>	<b>16,097</b>	<b>27,958</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014.

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# NTPM HOLDINGS BERHAD

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

### 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 2014	31 October 2013	31 October 2014	31 October 2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(159)	(120)	(232)	(194)
(b) Other income including investment income	(350)	(450)	(733)	(788)
(c) Interest expense	1,569	961	2,722	2,036
(d) Depreciation and amortisation	7,163	6,587	14,047	12,840
(e) Provision for and write off of receivables	183	188	333	338
(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 gain	208	(173)	184	(452)
(j) (Gain)/loss on derivatives	299	(1,076)	225	194

*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 2014.*

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



**NTPM HOLDINGS BERHAD**  
(Company No. 384662 U)  
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**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited) As at 31 October 2014	(Audited) As at 30 April 2014
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	342,369	305,009
LAND USE RIGHTS	20,253	20,543
DEFERRED TAX ASSETS	456	413
	<u>363,078</u>	<u>325,965</u>
<b>CURRENT ASSETS</b>		
Inventories	100,499	94,234
Trade receivables	85,190	85,646
Other receivables	31,825	30,963
Derivative assets	-	43
Cash and bank balances	47,982	44,442
	<u>265,496</u>	<u>255,328</u>
<b>TOTAL ASSETS</b>	<u>628,574</u>	<u>581,293</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(22)	(15)
RESERVES	227,922	228,111
<b>TOTAL EQUITY</b>	<u>340,220</u>	<u>340,416</u>
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	42,052	11,287
DEFERRED TAX LIABILITIES	17,906	18,738
RETIREMENT BENEFIT OBLIGATIONS	2,270	2,121
	<u>62,228</u>	<u>32,146</u>
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	2	2
Borrowings	147,084	122,623
Trade payables	28,104	30,413
Other payables	50,018	53,580
Tax payable	736	2,113
Derivative liabilities	182	-
	<u>226,126</u>	<u>208,731</u>
<b>TOTAL LIABILITIES</b>	<u>288,354</u>	<u>240,877</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>628,574</u>	<u>581,293</u>
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	<u>0.30</u>	<u>0.30</u>

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014.*

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



**NTPM HOLDINGS BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(The figures have not been audited)

Six Months Ended 31 October 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 2014	112,320	(15)	43,658	184,453	340,416	-	340,416
Total comprehensive income for the period	-	-	(103)	16,200	16,097	-	16,097
Transactions with owners :							
Purchase of treasury shares	-	(7)	-	-	(7)	-	(7)
Resale of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(16,286)	(16,286)	-	(16,286)
Total transactions with owners :	-	(7)	-	(16,286)	(16,293)	-	(16,293)
<b>At 31 October 2014</b>	<b>112,320</b>	<b>(22)</b>	<b>43,555</b>	<b>184,367</b>	<b>340,220</b>	<b>-</b>	<b>340,220</b>

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	
At 1 May 2013	112,320	(5,738)	43,074	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)
<b>At 31 October 2013</b>	<b>112,320</b>	<b>(7)</b>	<b>43,037</b>	<b>174,843</b>	<b>330,193</b>	<b>-</b>	<b>330,193</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 2014

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 2014****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	<b>6 months ended</b>	<b>6 months ended</b>
	<b>31 October 2014</b>	<b>31 October 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	22,401	37,219
Adjustments for:		
Amortisation of land use rights	238	237
Bad debts written off	33	38
Depreciation	13,809	12,603
Effect of exchange rate changes	(330)	(265)
Interest expense	2,722	2,036
Interest income	(232)	(194)
Inventories written (back)/down	-	-
Loss/(gain) on disposal of property, plant and equipment	63	(8)
Net fair value loss on derivatives	225	194
Plant and equipment written off	19	150
Increase in liability for defined benefit plan	206	209
Impairment loss on loan and receivables	300	300
Impairment Loss on plant & equipments	-	-
Short term accumulating compensated absences	-	-
Unrealised foreign exchange loss/(gain)	411	(167)
Total adjustments	17,464	15,133
<b>Operating cash flows before changes in working capital</b>	<b>39,865</b>	<b>52,352</b>
Changes in working capital		
Increase in receivables	(244)	(13,151)
(Increase)/ Decrease in inventories	(6,265)	2,770
Decrease in payables	(5,900)	(4,229)
Decrease in retirement benefit obligations	(57)	(116)
Total changes in working capital	(12,466)	(14,726)
<b>Cash flows from operations</b>	<b>27,399</b>	<b>37,626</b>
Interest paid	(2,722)	(2,036)
Tax paid	(9,142)	(8,659)
Tax refunded	-	444
<b>Net cash flow generated from operating activities</b>	<b>15,535</b>	<b>27,375</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(51,087)	(13,935)
Acquisition of land use rights	-	-
Interest received	232	194
Proceeds from disposal of plant and equipment	120	10
<b>Net cash used in investing activities</b>	<b>(50,735)</b>	<b>(13,731)</b>
<b>FINANCING ACTIVITIES</b>		
Net change in bank borrowings	21,453	11,514
Repayment of term loans	(6,420)	(6,797)
Drawdown of term loans	40,000	-
Dividends paid to shareholders	(16,286)	(16,286)
Purchase of treasury shares	(7)	(95)
Resale of treasury shares	-	8,229
<b>Net cash (used in)/from financing activities</b>	<b>38,740</b>	<b>(3,435)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,540</b>	<b>10,209</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	<b>44,442</b>	<b>31,438</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	<b>47,982</b>	<b>41,647</b>
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	14,548	26,465
Deposits with licensed banks:		
Fixed deposit	10,090	10,150
Short term placements	23,344	5,032
	47,982	41,647

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2014.

The accompanying notes are an integral part of this statement.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

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### 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 2014. 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 2014.

##### 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 2014 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2014:

- Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

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.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

### NOTES TO THE INTERIM FINANCIAL REPORT

Description	Effective for annual periods beginning on or after
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
Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
MFRS 15: Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments (IFRS 9 issued by IASB <sup>+</sup> in July 2014)	1 January 2018

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 other than for MFRS 15 Revenue from Contracts with Customers and MFRS 9 Financial Instruments. The Group is still in the progress of assessing the impact of MFRS 15 and MFRS 9.

### 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.





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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

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### 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 RM22.74 million (30.4.2014: RM20.141 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 2014 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.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

### 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 :

During the financial period, 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 RM7,037 at an average cost of RM0.70 per share.

The repurchase 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 2014, the total number of treasury shares held were 30,000 or 0.0027% of the total paid up share capital of the Company.

#### 9. Dividend paid

The single tier final dividend of 14.5% amounting to RM16,286,110 in respect of the financial year ended 30 April 2014 on 1,123,180,000 ordinary shares of RM0.10 each (1.45sen per share) was paid on 26 September 2014.

#### 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 2014 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	190,622	79,713	270,335
<b>Segment profit</b>	19,253	3,148	22,401
Included in the measure of segment profit are			
- depreciation and amortisation	11,334	2,713	14,047
- non-cash expenses other than depreciation and amortisation	1,007	194	1201
<b>Segment assets</b>	512,610	115,964	628,574
Included in the measure of segment assets is			
- capital expenditure	45,595	5,492	51,087



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

### NOTES TO THE INTERIM FINANCIAL REPORT

Segment information for the period ended 31 October 2013 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	188,724	76,680	265,404
<b>Segment profit</b>	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
<b>Segment assets</b>	442,589	98,704	541,293
Included in the measure of segment assets is			
- capital expenditure	11,539	2,396	13,935

#### 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 2014. 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 RM51.1 million and RM0.12 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 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.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

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### NOTES TO THE INTERIM FINANCIAL REPORT

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

The corporate guarantees of the Company are as follows:

	As at 31.10.2014 RM'000	As at 30.04.2014 RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	<u>189,136</u>	<u>133,910</u>



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 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	
	31.10.2014	31.10.2013	31.10.2014	31.10.2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Paper Products	96,002	95,530	190,622	188,724
Personal Care Products	42,089	38,124	79,713	76,680
<b>Group</b>	138,091	133,654	270,335	265,404
<b>Profit before tax</b>				
Paper Products	9,957	16,836	19,253	29,565
Personal Care Products	2,600	3,800	3,148	7,654
<b>Group</b>	12,557	20,636	22,401	37,219

##### Group

Group revenue for the period ended 31 October 2014 was RM270.3 million compared with RM265.4 million for the period ended 31 October 2013, an increase of 1.9%. The increase in revenue was mainly due to the increase in sales of baby diapers. The Group's profit before taxation for the period ended 31 October 2014 was RM22.4 million, a decrease of 39.8% over the RM37.2 million registered in the preceding period corresponding quarter. The decrease in profit before taxation was mainly due to the increase in cost of raw material, labour and utility mainly electricity and natural gas.

##### Paper Products segment

Revenue from the paper products segment for the period ended 31 October 2014 was RM190.6 million compared with RM188.7 million for the financial period ended 31 October 2013, an increase of 1.1%. Profit before taxation in the paper products segment for the period ended 31 October 2014 was RM19.3 million, a decrease of 34.9% over the RM29.6 million registered in the corresponding financial period of the previous financial year. The decrease in profit before taxation was mainly due to higher cost of production namely as the result of the increase in raw materials, labour and utility costs.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

### NOTES TO THE INTERIM FINANCIAL REPORT

#### Personal Care Products segment

Revenue from the personal care products segment for the period ended 31 October 2014 was RM79.7 million compared with RM76.7 million recorded in the previous year corresponding period, a increase of 4.0%. 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 2014 was RM3.15 million, a decrease of 58.9% over the RM7.65 million registered in the corresponding period in the last financial year. The decrease in profit before taxation was mainly due to the higher cost of production.

#### 16. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	31.10.2014	31.07.2014	RM'000	%
	RM'000	RM'000		
Revenue	138,091	132,244	5,847	4.4
Profit before tax	12,557	9,845	2,712	27.5

The revenue for the quarter ended 31 October 2014 increased by RM5.8 million or 4.4% while profit before taxation increased by RM2.7 million or 27.5% for the current quarter as compared to the preceding quarter. The increase in profit before taxation was mainly attributable to increase in sales and improvement in margin during the current financial quarter.

#### 17. Prospects

The Board expects the business environment in the coming financial year ending 30 April 2015 ("FY2015") to be more competitive due to the mounting costs pressure and keen competition. Both the tissue and personal care segment will continue to operate in a tough environment as most of the FMCG ("Fast-Moving Consumer Goods") companies continue to shift their focus from protecting margins to increasing volumes. Meanwhile, the rise in labour and overhead costs is expected to dampen the Group's profitability further. The increase in electricity tariff rates in January 2014 and natural gas tariffs in May 2014 will cause overhead costs to escalate and will affect the financial performance for the upcoming year.

In light of these challenges, the Group has strategic plans and control measures put in place to mitigate the impact from these adverse conditions. Several cost-savings projects have been identified and approved to improve the Group's operational efficiency and keep a tight rein on costs to drive down waste and inefficiencies across the group's business units. We are looking into ways to strengthen our customer base and improve our distribution channel. The



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### NOTES TO THE INTERIM FINANCIAL REPORT

Group is also looking at developing new products and opportunity to venture into new business segments if the expansion synergizes with the Group's current business model.

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

Not applicable.

#### 19. Taxation

	Current Quarter 3 months ended 31 October 2014 RM'000	Year-to-date 6 months ended 30 October 2014 RM'000
Income tax		
Current year	3,503	6,875
Prior year	-	200
	<u>3,503</u>	<u>7,075</u>
Deferred tax		
Current year	(144)	(646)
Prior year		(228)
	<u>3,359</u>	<u>6,201</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, a settlement agreement between the subsidiary and IRB has been signed on 26 June 2014. The settlement does not have any material impact on the financial position or performance of the Group. On 4 September 2014, the IRB had issued notice of reduced assessment (Form JR) amounting to RM1.90 million which constitutes the amount to be refunded as a result of certain allowed tax deductions which was previously disputed by IRB field audit for the years of assessment 2004 to 2008.

#### 20. Status on corporate proposals

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

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FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014****NOTES TO THE INTERIM FINANCIAL REPORT****21. Group borrowings**

	<b>31 October 2014</b>
	<b>RM'000</b>
<b>Non-current</b>	
<b>Unsecured</b>	
Long term loan	42,052
<b>Current</b>	
<b>Unsecured</b>	
Bankers' acceptance	72,000
Export credit refinancing	9,969
Onshore Foreign Currency Loan(OFCL)	9,665
Revolving Credit (RC)	41,859
Term loans	13,591
	147,084

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 2014, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

<b>Foreign Currency</b>	<b>Outstanding Contract Amount</b>		<b>Fair Value</b>	<b>Derivative Assets/ (Liabilities)</b>	<b>Maturity Date</b>
	<b>FC '000</b>	<b>RM'000</b>			
<b><u>Non-Hedging Derivatives</u></b>					
<b><u>Bank Buy</u></b>					
Singapore Dollar	3,982	10,199	10,215	(16)	10 Nov 2014 – 23 Jan 2015
US Dollar	1,900	6,168	6,334	(166)	18 Sep 2015 – 22 Sep 2015





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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

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#### 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 October 2014, the Group recognised a loss on derivative of RM299,000 and RM225,000 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 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 2014.

#### **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 RM16,286,110 in respect of the financial year ended 30 April 2014 on 1,123,180,000 ordinary shares of RM0.10 each (1.45sen per share) was paid on 26 September 2014 whereas 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.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 25. Earnings per share

##### Basic/ Diluted earnings per share

Basic/ Diluted 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		6 Months Period Ended	
	31 October 2014	2013	31 October 2014	2013
Net profit attributable to shareholders (RM'000)	9,198	16,021	16,200	27,995
Weighted average number of ordinary shares in issue ('000)	1,123,174	1,115,439	1,123,177	1,112,752
Basic/ Diluted earnings per share (sen)	0.8	1.4	1.4	2.5

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

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

	As at 31/10/2014 RM'000	As at 30/04/2014 RM'000
Total retained profits of the Company and its subsidiaries : -		
-Realised	170,462	171,165
-Unrealised	(10,535)	(11,262)
	<hr/> 159,927	<hr/> 159,903
Add/(Less) : Consolidation adjustments	24,440	24,550
Total group retained profits as per consolidated accounts	<hr/> 184,367	<hr/> 184,453



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 27. Comparatives

During the financial quarter/period, the Group made prior year adjustments for the financial quarter/period ended 31 October 2013 and the details are as follows:

- (i) the Group had inadvertently over-eliminated inter-companies revenue. This has caused understatement of revenue and cost of sales as follows:-

	As Previously Stated RM'000	Adjustments RM'000	As Reclassified RM'000
<b>Income Statements</b>			
3 Months Period Ended 31 October 2013			
Revenue	126,872	6,782	133,654
Cost of Sales	(86,951)	(6,782)	(93,733)
<b>Income Statements</b>			
6 Months Period Ended 31 October 2013			
Revenue	251,629	13,775	265,404
Cost of Sales	(174,522)	(13,775)	(188,297)

**By Order of the Board**

**Company Secretary**

**DATED THIS 19<sup>th</sup> DAY OF DECEMBER, 2014.**