



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2016

### 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 2016	31 January 2015	31 January 2016	31 January 2015
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>161,023</b>	<b>142,388</b>	<b>457,050</b>	<b>412,723</b>
<b>Operating profit</b>	<b>25,484</b>	<b>20,141</b>	<b>69,684</b>	<b>45,032</b>
Interest income	209	83	412	316
Interest expense	(1,438)	(1,686)	(4,727)	(4,408)
<b>Profit before tax</b>	<b>24,255</b>	<b>18,538</b>	<b>65,369</b>	<b>40,940</b>
Income tax expense	(6,599)	(5,272)	(17,749)	(11,473)
<b>Profit net of tax</b>	<b>17,656</b>	<b>13,266</b>	<b>47,620</b>	<b>29,467</b>
<b>Profit attributable to:</b>				
Owners of the parent	17,656	13,266	47,620	29,467
Non-controlling interests	-	-	-	-
	<b>17,656</b>	<b>13,266</b>	<b>47,620</b>	<b>29,467</b>
Basic/Diluted earnings per ordinary share (sen)	1.6	1.2	4.2	2.6

*The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2015.*

*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 JANUARY 2016

### 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	To Date	Corresponding
	31 January 2016	Quarter	31 January 2016	Period
	31 January 2015		31 January 2015	
	RM'000	RM'000	RM'000	RM'000
<b>Profit net of tax</b>	17,656	13,266	47,620	29,467
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(1,105)	2,563	2,587	2,460
<b>Total comprehensive income for the period</b>	<b>16,551</b>	<b>15,829</b>	<b>50,207</b>	<b>31,927</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	16,551	15,829	50,207	31,927
Non-controlling interests	-	-	-	-
	<b>16,551</b>	<b>15,829</b>	<b>50,207</b>	<b>31,927</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2015.

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#### 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 2016	31 January 2015	31 January 2016	31 January 2015
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(209)	(83)	(412)	(316)
(b) Other income including investment income	(299)	(230)	(964)	(963)
(c) Interest expense	1,438	1,686	4,727	4,408
(d) Depreciation and amortisation	7,467	7,238	22,306	21,285
(e) Impairment loss on receivables	194	196	502	529
(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)	3,361	1,219	5,120	1,403
(j) Loss/(Gain) on derivatives	(2,739)	1,113	(143)	1,338

*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 2015.*

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2016

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 January 2016	(Audited) As at 30 April 2015
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	374,781	371,175
LAND USE RIGHTS	22,770	21,038
DEFERRED TAX ASSETS	481	360
	<u>398,032</u>	<u>392,573</u>
<b>CURRENT ASSETS</b>		
Inventories	110,990	117,995
Trade receivables	111,425	90,177
Other receivables	19,591	20,521
Cash and bank balances	67,801	37,350
	<u>309,807</u>	<u>266,043</u>
<b>TOTAL ASSETS</b>	<u>707,839</u>	<u>658,616</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(37)	(29)
RESERVES	298,242	248,035
<b>TOTAL EQUITY</b>	<u>410,525</u>	<u>360,326</u>
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	62,321	33,094
DEFERRED TAX LIABILITIES	18,846	18,741
RETIREMENT BENEFIT OBLIGATIONS	2,645	2,422
	<u>83,812</u>	<u>54,257</u>
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	2	2
Borrowings	117,315	157,990
Trade payables	30,648	28,870
Other payables	55,946	53,642
Tax payable	9,409	3,204
Derivative liabilities	182	325
	<u>213,502</u>	<u>244,033</u>
<b>TOTAL LIABILITIES</b>	<u>297,314</u>	<u>298,290</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>707,839</u>	<u>658,616</u>
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	<u>0.37</u>	<u>0.32</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2015.

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**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2016**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(The figures have not been audited)

Nine Months Ended 31 January 2016

	← 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 2015	112,320	(29)	45,369	202,666	360,326	-	360,326
Total comprehensive income for the period	-	-	2,587	47,620	50,207	-	50,207
Transactions with owners :							
Purchase of treasury shares	-	(8)	-	-	(8)	-	(8)
Total transactions with owners :	-	(8)	-	-	(8)	-	(8)
<b>At 31 January 2016</b>	<b>112,320</b>	<b>(37)</b>	<b>47,956</b>	<b>250,286</b>	<b>410,525</b>	<b>-</b>	<b>410,525</b>

Nine Months Ended 31 January 2015

	← 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	-	-	2,460	29,467	31,927	-	31,927
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 January 2015</b>	<b>112,320</b>	<b>(22)</b>	<b>46,118</b>	<b>197,634</b>	<b>356,050</b>	<b>-</b>	<b>356,050</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 2015*

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**INTERIM FINANCIAL REPORT  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	<b>9 months ended 31 January 2016 RM'000</b>	<b>9 months ended 31 January 2015 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	65,369	40,940
Adjustments for:		
Amortisation of land use rights	414	363
Bad debts written off	111	33
Depreciation	21,892	20,922
Effect of exchange rate changes	(5,984)	(3,056)
Interest expense	4,727	4,408
Interest income	(412)	(316)
Loss on disposal of property, plant and equipment	238	72
Net fair value loss on derivatives	(143)	1,338
Plant and equipment written off	46	19
Increase in liability for defined benefit plan	286	280
Impairment loss on loan and receivables	391	496
Unrealised foreign exchange loss	576	411
Total adjustments	22,142	24,970
<b>Operating cash flows before changes in working capital</b>	<b>87,511</b>	<b>65,910</b>
Changes in working capital		
Increase in receivables	(21,694)	(11,724)
Decrease/(Increase) in inventories	7,005	(14,066)
Increase/(Decrease) in payables	3,883	(6,016)
Decrease in retirement benefit obligations	(59)	(57)
Total changes in working capital	(10,865)	(31,863)
<b>Cash flows from operations</b>	<b>76,646</b>	<b>34,047</b>
Interest paid	(4,727)	(4,408)
Tax paid	(11,711)	(13,337)
Tax refunded	537	-
<b>Net cash flow generated from operating activities</b>	<b>60,745</b>	<b>16,302</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(19,883)	(66,998)
Interest received	412	316
Proceeds from disposal of plant and equipment	615	216
<b>Net cash used in investing activities</b>	<b>(18,856)</b>	<b>(66,466)</b>
<b>FINANCING ACTIVITIES</b>		
Net change in bank borrowings	(36,475)	26,282
Repayment of term loans	(14,955)	(10,328)
Drawdown of term loans	40,000	40,000
Dividends paid to shareholders	-	(16,286)
Purchase of treasury shares	(8)	(7)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(11,438)</b>	<b>39,661</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>30,451</b>	<b>(10,503)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	<b>37,350</b>	<b>44,442</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	<b>67,801</b>	<b>33,939</b>
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	23,348	16,946
Deposits with licensed banks:		
Fixed deposit	11,592	11,085
Short term placements	32,861	5,908
	<b>67,801</b>	<b>33,939</b>

*The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2015.*

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



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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2016**

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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 2015. 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 2015.

**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 2015 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2015:

- Amendments to MFRS 119: Defined Benefits Plans: Employee Contributions
- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

Adoption of the above standards and interpretations did not have any material 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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**NOTES TO THE INTERIM FINANCIAL REPORT**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Annual Improvements to MFRSs 2012 – 2014 Cycle	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
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	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 financial 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 JANUARY 2016**

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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 RM39.4 million (30.4.2015: RM31.18 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 2015 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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**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 RM7,888 at an average cost of RM0.79 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 January 2016, the total number of treasury shares held were 50,000 or 0.0045% of the total paid up share capital of the Company.

**9. Dividend paid**

There were no dividends paid during the financial period ended 31 January 2016.

**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 2016 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	315,159	141,891	457,050
<b>Segment profit</b>	54,001	11,368	65,369
Included in the measure of segment profit are			
- depreciation and amortisation	17,619	4,687	22,306
- non-cash expenses other than depreciation and amortisation	1,096	349	1,445
<b>Segment assets</b>	564,820	143,019	707,839
Included in the measure of segment assets is			
- capital expenditure	10,489	9,394	19,883



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Segment information for the period ended 31 January 2015 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	290,416	122,307	412,723
<b>Segment profit</b>	34,760	6,180	40,940
Included in the measure of segment profit are			
- depreciation and amortisation	17,100	4,185	21,285
- non-cash expenses other than depreciation and amortisation	2,349	244	2,593
<b>Segment assets</b>	523,492	123,958	647,450
Included in the measure of segment assets is			
- capital expenditure	59,681	7,317	66,998

**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 2015. 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 RM19.8 million and RM0.6 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 2016 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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**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:

	<b>As at 31.01.2016</b>	<b>As at 30.04.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	<u>179,636</u>	<u>191,084</u>



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**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	
	31.01.2016	31.01.2015	31.01.2016	31.01.2015
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Paper Products	114,220	99,795	315,159	290,416
Personal Care Products	46,803	42,593	141,891	122,307
<b>Group</b>	<b>161,023</b>	<b>142,388</b>	<b>457,050</b>	<b>412,723</b>
<b>Profit before tax</b>				
Paper Products	21,915	15,506	54,001	34,760
Personal Care Products	2,340	3,032	11,368	6,180
<b>Group</b>	<b>24,255</b>	<b>18,538</b>	<b>65,369</b>	<b>40,940</b>

**Group**

Group revenue for the period ended 31 January 2016 was RM457.1 million compared with RM412.7 million for the period ended 31 January 2015, an increase of 10.8%. The increase in revenue was mainly due to the increase in sales of tissue products and baby diapers. The Group's profit before taxation for the period ended 31 January 2016 was RM65.4 million, an increase of 60.0% over the RM40.9 million registered in the previous financial period ended 31 January 2015. The increase in profit before taxation was mainly due to the increase in sales and improvement in margin.

**Paper Products segment**

Revenue from the paper products segment for the period ended 31 January 2016 was RM315.2 million compared with RM290.4 million for the financial period ended 31 January 2015, an increase of 8.5%. Profit before taxation in the paper products segment for the period ended 31 January 2016 was RM54.0 million, an increase of 55.4% over RM34.8 million registered in the corresponding financial period of the previous financial year. The increase in profit before taxation was mainly due to the increase in sales and improvement in margin.



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**Personal Care Products segment**

Revenue from the personal care products segment for the period ended 31 January 2016 was RM141.9 million compared with RM122.3 million recorded in the previous year corresponding period, an increase of 16.0%. The increase in revenue was mainly due to the increase in sales of baby diapers. Profit before taxation in the personal care products segment for the period ended 31 January 2016 was RM11.4 million, an increase of 83.9% over RM6.2 million registered in the corresponding period of the previous financial period. The increase in profit before taxation was mainly due to the increase in sales and the decrease in selling, distribution and advertisement cost.

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

	Individual quarter ended		Variance	
	31.01.2016	31.10.2015	RM'000	%
	RM'000	RM'000		
Revenue	161,023	152,632	8,391	5.5
Profit before tax	24,255	23,313	942	4.0

Revenue for the quarter ended 31 January 2016 increased by RM8.4 million or 5.5% while profit before taxation increased by RM0.9 million or 4.0% for the current quarter as compared to the preceding quarter. The increase in profit before taxation was mainly attributable to lower loss on foreign exchange of approximately RM0.6 million due to the weakening of Ringgit Malaysia against major trading currencies such as US Dollars and Singapore Dollars as compared to a loss of RM2.1 million in the preceding quarter.

**17. Prospects**

The next financial year will continue to present challenges to the Group due to high inflation, volatile currency and the implementation of Goods and Services Tax effective 1 April 2015.

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 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. With this in place, the Board is fairly optimistic about its prospect.



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

Not applicable.

**19. Taxation**

	<b>Current Quarter 3 months ended 31 January 2016 RM'000</b>	<b>Year-to-date 9 months ended 31 January 2016 RM'000</b>
Income tax		
Current year	5,853	17,693
Prior year	43	43
	<u>5,896</u>	<u>17,736</u>
Deferred tax		
Current year	571	(119)
Prior year	132	132
	<u>6,599</u>	<u>17,749</u>

The higher effective tax rate for the current financial quarter and period to date is mainly due to unrecognised deferred tax assets.

**20. Status on corporate proposals**

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

**21. Group borrowings**

	<b>31 January 2016 RM'000</b>
<b>Non-current</b>	
<b>Unsecured</b>	
Long term loan	<u>62,321</u>
<b>Current</b>	
<b>Unsecured</b>	
Onshore Foreign Currency Loan (OFCL)	23,627
Revolving Credit (RC)	44,076
Money Market Line (MML)	23,910
Term loans	25,702
	<u>117,315</u>

The above borrowings are denominated in Ringgit Malaysia except for Onshore Foreign Currency Loan ("OFCL"), Money Market Line (MML) and Revolving Credit ("RC") which are denominated in US Dollar.



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**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 2016, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

Foreign Currency	Outstanding Contract Amount		Fair Value	Derivative Assets/ (Liabilities) RM'000	Maturity Date
	FC '000	RM'000	RM'000		
<b><u>Non-Hedging Derivatives</u></b>					
<b><u>Bank Buy</u></b>					
Singapore Dollar	3,940	12,071	11,497	574	5 May 2016 – 30 Jun 2016
US Dollar	4,320	17,282	18,038	(756)	7 Apr 2016 – 21 Jul 2016

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 2016, the Group recognised a gain on derivative of RM2,739,000 and RM143,000 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 2016. 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 2015.

**23. Material litigation**

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





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**24. Dividend**

A single tier interim dividend of 8.0% in respect of the financial year ending 30 April 2016 (0.8sen per share) has been declared on 25 March 2016 and is to be paid on 22 April 2016 to depositors registered in the records of Depositors at the close of business on 15 April 2016. 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 2016.

In the corresponding financial period ended 31 January 2015, a single tier interim dividend of 7.25% amounting to RM8,142,912 in respect of the financial year ended 30 April 2015 on 1,123,160,000 ordinary shares of RM0.10 each (0.725sen per share) was paid on 16 April 2015.

The total net dividend per share to date for the current financial year is 0.8sen (2015: 0.725sen)

**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.

	<b>3 Months Period Ended</b>		<b>6 Months Period Ended</b>	
	<b>31 January</b>		<b>31 January</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net profit attributable to shareholders (RM'000)	17,656	13,266	47,620	29,467
Weighted average number of ordinary shares in issue ('000)	1,123,150	1,123,170	1,123,155	1,123,175
Basic earnings per share (sen)	1.6	1.2	4.2	2.6



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

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

	<b>As at 31/01/2016 RM'000</b>	<b>As at 30/04/2015 RM'000</b>
Total retained profits of the Company and its subsidiaries : -		
-Realised	234,847	188,702
-Unrealised	(10,954)	(10,729)
	<hr/> 223,893	<hr/> 177,973
Add/(Less) : Consolidation adjustments	26,393	24,693
Total group retained profits as per consolidated accounts	<hr/> 250,286	<hr/> 202,666

**By Order of the Board**

**Company Secretary**

**DATED THIS 25<sup>th</sup> DAY OF MARCH, 2016.**