NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2016

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (4th Q)		Cumulative Quarter (12 months)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 Apr 2016	30 Apr 2015	30 Apr 2016	30 Apr 2015
	RM'000	RM'000	RM'000	RM'000
Revenue	**144,655**	**134,790**	**601,706**	**547,514**
Operating profit	**13,864**	**19,934**	**83,548**	**64,966**
Interest income	256	63	668	379
Interest expense	(1,300)	(1,618)	(6,027)	(6,026)
Profit before tax	**12,820**	**18,379**	**78,189**	**59,319**
Income tax expense	(2,773)	(5,204)	(20,522)	(16,677)
Profit net of tax	**10,047**	**13,175**	**57,667**	**42,642**
Profit attributable to:				
Owners of the parent	10,047	13,175	57,667	42,642
Non-controlling interests	-	-	-	-
	10,047	**13,175**	**57,667**	**42,642**
Basic/Diluted earnings per ordinary share (sen)	0.9	1.2	5.1	3.8

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.

NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2016

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (4th Q)		Cumulative Quarter (12 months)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 Apr 2016	30 Apr 2015	30 Apr 2016	30 Apr 2015
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	10,047	13,175	57,667	42,642
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent period:				
Foreign currency translation	(665)	(749)	1,922	1,711
Total comprehensive income for the period	**9,382**	**12,426**	**59,589**	**44,353**
Total comprehensive income attributable to:				
Owners of the parent	9,382	12,426	59,589	44,353
Non-controlling interests	-	-	-	-
	9,382	**12,426**	**59,589**	**44,353**

The Condensed Consolidated Statements of Comprehensive Income 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.

NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2016

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (4th Q)		Cumulative Quarter (12 months)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 Apr 2016	30 Apr 2015	30 Apr 2016	30 Apr 2015
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(256)	(63)	(668)	(379)
(b) Other income including investment income	(588)	(487)	(1,552)	(1,450)
(c) Interest expense	1,300	1,618	6,027	6,026
(d) Depreciation and amortisation	7,581	7,347	29,887	28,632
(e) (Reversal)/Impairment loss on receivables	(145)	(279)	357	250
(f) Provision for and write off of inventories	175	-	175	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Reversal of impairment of assets	(42)	-	(42)	-
(i) Foreign exchange (gain)/ loss	(1,401)	1,598	3,719	3,001
(j) (Gain)/ loss on derivatives	(73)	(970)	(216)	368

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.

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 30 APRIL 2016

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 30 Apr 2016	(Audited) As at 30 April 2015
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	368,753	371,175
LAND USE RIGHTS	21,487	21,038
DEFERRED TAX ASSETS	465	360
	390,705	392,573
CURRENT ASSETS		
Inventories	131,392	117,995
Trade receivables	97,782	90,177
Other receivables	14,540	20,521
Cash and bank balances	50,885	37,350
	294,599	266,043
TOTAL ASSETS	685,304	658,616
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(47)	(29)
RESERVES	298,639	248,035
TOTAL EQUITY	410,912	360,326
NON-CURRENT LIABILITIES		
BORROWINGS	29,715	33,094
DEFERRED TAX LIABILITIES	18,137	18,741
RETIREMENT BENEFIT OBLIGATIONS	2,706	2,422
	50,558	54,257
CURRENT LIABILITIES		
Retirement benefit obligations	6	2
Borrowings	127,805	157,990
Trade payables	31,050	28,870
Other payables	63,088	53,642
Tax payable	1,776	3,204
Derivative liabilities	109	325
	223,834	244,033
TOTAL LIABILITIES	274,392	298,290
TOTAL EQUITY AND LIABILITIES	685,304	658,616
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	0.37	0.32

The Condensed Consolidated Statements of Financial Position 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.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Twelve Months Ended 30 April 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	RM'000
At 1 May 2015	112,320	(29)	45,369	202,666	360,326	-	360,326
Total comprehensive income for the period	-	-	1,922	57,667	59,589	-	59,589
Transactions with owners :							
Purchase of treasury shares	-	(18)	-	-	(18)	-	(18)
Dividends	-	-	-	(8,985)	(8,985)	-	(8,985)
Total transactions with owners :	-	(18)	-	(8,985)	(9,003)	-	(9,003)
At 30 April 2016	**112,320**	**(47)**	**47,291**	**251,348**	**410,912**	**-**	**410,912**

Twelve Months Ended 30 April 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	RM'000
At 1 May 2014	112,320	(15)	43,658	184,453	340,416	-	340,416
Total comprehensive income for the period	-	-	1,711	42,642	44,353	-	44,353
Transactions with owners :							
Purchase of treasury shares	-	(14)	-	-	(14)	-	(14)
Dividends	-	-	-	(24,429)	(24,429)	-	(24,429)
Total transactions with owners :	-	(14)	-	(24,429)	(24,443)	-	(24,443)
At 30 April 2015	**112,320**	**(29)**	**45,369**	**202,666**	**360,326**	**-**	**360,326**

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

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 30 APRIL 2016

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	12 months ended 30 Apr 2016 RM'000	12 months ended 30 Apr 2015 RM'000
OPERATING ACTIVITIES		
Profit before tax	78,189	59,319
Adjustments for:		
Amortisation of land use rights	546	491
Bad debts written off	121	327
Depreciation	29,341	28,141
Effect of exchange rate changes	(2,163)	(1,543)
Interest expense	6,027	6,026
Interest income	(668)	(379)
Loss on disposal of property, plant and equipment	238	57
Net fair value (gain)/ loss on derivatives	(216)	368
Plant and equipment written off	52	603
Increase in liability for defined benefit plan	360	395
Impairment loss on loan and receivables	236	(77)
Reversal of impairment loss on plant & equipments	(42)	-
Short term accumulating compensated absences	(14)	33
Unrealised foreign exchange loss/ (gain)	104	(370)
Total adjustments	34,097	34,072
Operating cash flows before changes in working capital	112,286	93,391
Changes in working capital		
(Increase)/Decrease in receivables	(4,549)	5,897
Increase in inventories	(13,571)	(23,761)
Increase/(Decrease) in payables	12,615	(762)
Decrease in retirement benefit obligations	(72)	(94)
Total changes in working capital	(5,577)	(18,720)
Cash flows from operations	106,709	74,671
Interest paid	(6,027)	(6,026)
Tax paid	(23,201)	(15,849)
Tax refunded	952	-
Net cash flow generated from operating activities	78,433	52,796
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,667)	(93,079)
Interest received	668	379
Proceeds from disposal of plant and equipment	615	293
Net cash used in investing activities	(23,384)	(92,407)
FINANCING ACTIVITIES		
Net change in bank borrowings	(49,840)	32,401
Repayment of term loans	(22,671)	(15,439)
Drawdown of term loans	40,000	40,000
Dividends paid to shareholders	(8,985)	(24,429)
Purchase of treasury shares	(18)	(14)
Net cash (used in)/ generated from financing activities	(41,514)	32,519
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13,535	(7,092)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	37,350	44,442
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	50,885	37,350

Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	27,391	18,755
Deposits with licensed banks:		
Fixed deposit	11,180	10,890
Short term placements	12,314	7,705
	50,885	37,350

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.

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.

Description	Effective for annual periods beginning on or after
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
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
MFRS 15: Clarification to MFRS 15	1 January 2018
MFRS 16: Leases	1 January 2019

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.

(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 RM46.3 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.

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 20,000 ordinary shares of RM0.10 each of its issued share capital from the open market for a total consideration (inclusive of transaction cost) of RM17,779 at an average cost of RM0.89 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 30 April 2016, the total number of treasury shares held were 60,000 or 0.0053% of the total paid up share capital of the Company.

9. Dividend paid

The single tier interim dividend of 8.0% amounting to RM8,985,120 in respect of the financial year ended 30 April 2016 on 1,123,140,000 ordinary shares of RM0.10 each (0.80sen per share) was paid on 22 April 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 30 April 2016 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	415,931	185,775	601,706
Segment profit	63,450	14,739	78,189
Included in the measure of segment profit are			
- depreciation and amortisation	23,471	6,416	29,887
- non-cash expenses other than depreciation and amortisation	933	53	986
Segment assets	541,896	143,408	685,304
Included in the measure of segment assets is			
- capital expenditure	12,753	11,914	24,667

NOTES TO THE INTERIM FINANCIAL REPORT

Segment information for the period ended 30 April 2015 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	384,352	163,162	547,514
Segment profit	49,208	10,111	59,319
Included in the measure of segment profit are			
- depreciation and amortisation	22,928	5,704	28,632
- non-cash expenses other than depreciation and amortisation	1,315	(72)	1,243
Segment assets	530,452	128,164	658,616
Included in the measure of segment assets is			
- capital expenditure	71,864	21,215	93,079

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 RM24.7 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 30 April 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.

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 30.04.2016 RM'000	As at 30.04.2015 RM'000
(a)	Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	157,520	191,084

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	
	30.04.2016	**30.04.2015**	**30.04.2016**	**30.04.2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue				
Paper Products	100,771	93,935	415,931	384,352
Personal Care Products	43,884	40,855	185,775	163,162
Group	144,655	134,790	601,706	547,514
Profit before tax				
Paper Products	9,449	14,448	63,450	49,208
Personal Care Products	3,371	3,931	14,739	10,111
Group	12,820	18,379	78,189	59,319

Group

Group revenue for the year ended 30 April 2016 was RM601.7 million compared with RM547.5 million for the year ended 30 April 2015, an increase of 9.9%. 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 year ended 30 April 2016 was RM78.2 million, an increase of 31.8% over RM59.3 million registered in the previous financial year ended 30 April 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 year ended 30 April 2016 was RM415.9 million compared with RM384.4 million for the financial year ended 30 April 2015, an increase of 8.2%. Profit before taxation in the paper products segment for the year ended 30 April 2016 was RM63.4 million, an increase of 28.9% over the RM49.2 million registered in the previous financial year. The increase in profit before taxation was mainly due to the increase in sales and improvement in margin.

Personal Care Products segment

Revenue from the personal care products segment for the year ended 30 April 2016 was RM185.8 million compared with RM163.2 million recorded in the previous year corresponding period, an increase of 13.9%. 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 year ended 30 April 2016 was RM14.7 million, an increase of 45.8% over RM10.1 million registered in the corresponding period of the previous financial year. 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	
	31.04.2016	31.01.2016		
	RM'000	RM'000	RM'000	%
Revenue	144,655	161,023	(16,368)	(10.2)
Profit before tax	12,820	24,255	(11,435)	(47.1)

Revenue for the quarter ended 30 April 2016 decreased by RM16.4 million or 10.2% while profit before taxation decreased by RM11.4 million or 47.1% for the current quarter as compared to the preceding quarter. The decrease in profit before taxation was mainly attributable to lower revenue and deterioration in margin due to higher energy costs and labour related expenditure.

17. Prospects

In general, the economic indicators paint a not so positive picture of the outlook of the country. Gross Domestic Product ("GDP") growth has slowed for four consecutive quarters, hitting 4.2% in the first quarter of 2016 compared with 5.6% in the corresponding period of the previous year. Most economists expect growth to be flattish in the remaining quarters. A cautious business sentiment with entrepreneurs unwilling to invest amid global uncertainties and poor commodity prices had resulted in slower growth in the country's private investment, increasing only 2.6% in the first quarter 2016 compared with 11.6% in the same period last year. Also, the Nikkei Malaysia manufacturing Purchasing Managers' Index ("PMI") for May 2016 showed that Malaysian factory output contracted for the 14th successive month with the rate of decline the sharpest in over three and half years

Based on these prevailing trends as describe above, there are also various key challenges facing the Group in the coming financial year ending 30 April 2017 ("FY2017"). For a start, we would have felt the full impact on the increased in electricity and natural gas tariffs effective 1 January 2016 by approximately 4.6% and 17.2% respectively in FY2017. Apart from increasing cost arising from the raise the minimum wage for employees in Peninsular Malaysia by RM100 to RM1,000 per month, and to RM920 from RM800 for employees in East Malaysia starting frpm 1 July 2016, the recent increased volatility in the foreign currency exchange rate, pose a challenge for the Group to contain and monitor its manufacturing cost. Malaysia's consumer sentiment is expected to remain low attributed to inflationary pressures, higher cost of living, cooling property market and prices of goods and services that have cut into buying power.

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 cautiously optimistic about its prospect.

18. Variance of actual profit from profit forecast

Not applicable.

19. Taxation

	Current Quarter 3 months ended 30 April 2016 RM'000	Year-to-date 12 months ended 30 April 2016 RM'000
Income tax		
Current year	3,511	21,204
Prior year	(13)	30
	3,498	21,234
Deferred tax		
Current year	(691)	(811)
Prior year	(34)	99
	2,773	20,522

The Group's effective tax rate for the current quarter is lower than the statutory tax rate principally due to the availability of tax incentives to some of the subsidiaries of the Group under the Income Tax Act, 1967. The higher effective tax rate for the current financial period to date is mainly due to the deferred tax assets not recognised on unutilized tax loss and capital allowance for some of the subsidiaries of the companies.

NOTES TO THE INTERIM FINANCIAL REPORT

20. Status on corporate proposals

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

21. Group borrowings

	30 April 2016 RM'000
Non-current	
Unsecured	
Long Term Revolving Credit (RC)	15,620
Long term loan	14,095
	29,715
Current	
Unsecured	
Onshore Foreign Currency Loan (OFCL)	422
Revolving Credit (RC)	36,941
Money Market Line (MML)	24,230
Term loans	66,212
	127,805

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.

During the financial period, two subsidiaries, Nibong Tebal Paper Mill Sdn Bhd ("NTPM") and NTPM Paper Mill (Bentong) Sdn Bhd ("NTPB") breached covenants of the (Islamic) term loans.

NTPB did not fulfill the requirement that its gearing ratio should not exceed 1.50 times. Nevertheless, on 19 May 2016, the bank has confirmed the renewal of the banking facility and agreed to the non-conformance of the above condition. The balance of the said term loan of RM3.24 million has been reclassified as current liabilities as at 30 April 2016.

Another subsidiary, NTPM did not fulfill the requirements for the submission of Occupancy Certificate for one of the production building and a warehouse in Sabah within 9 months after the disbursement of the RM40 million term loans and also to obtain the letter of consent from all the NTPM's existing financiers with negative pledge, failing which the Bank reserves the right to revise the terms and conditions of financing. The total borrowings with that particular bank amounted to RM52.0 million has been reclassified as current liabilities as at 30 April 2016.

On 30 May 2016, the said Bank has confirmed to NTPM the renewal of the banking facilities with the existing terms and condition remain in full force and effect. The Bank has also expressly agreed to grant an indulgence for non-compliance of the condition of "Submission of Letter of Consent from NTPM's existing financiers with Negative Pledge".

As a measure to proof beyond reasonable doubt, Management is currently working with the said bank to obtain written evidence for the waiver to the non-conformance for the submission of Occupancy Certificate for one of the production building and a warehouse in Sabah within 9 months after the disbursement of the RM40 million term loans. The bank had not requested for immediate payment of the outstanding loan amount as at the date when the interim financial report were authorized for issue.

Nevertheless, should the loan be immediately recalled upon, the Group has ample banking facilities coupled with strong cash and bank balances of RM50.9 million as at 30 April 2016 to repay the said loan. Further to this, the Group is in a very strong liquidity position backed by a favourable liquidity and net gearing ratio of 132% and 38% respectively which provide support to the financial backbone of the repayment.

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 30 April 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)**	**Maturity Date**
	FC '000	**RM'000**	**RM'000**	**RM'000**	
Non-Hedging Derivatives					
Bank Buy					
Singapore Dollar	4,506	13,103	13,099	4	19 Aug 2016 – 30 Sep 2016
US Dollar	1,820	7,332	7,158	174	1 Jul 2016 – 21 Jul 2016
Bank Sell					
US Dollar	1,512	6,238	5,951	(287)	20 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 30 April 2016, the Group recognised a gain on derivative of RM73,000 and RM216,000 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 30 April 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.

24. Dividend

A single tier interim dividend of 8.0% amounting to RM8,985,120 in respect of the financial year ended 30 April 2016 on 1,123,140,000 ordinary shares of RM0.10 each (0.80sen per share) was paid on 22 April 2016.

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.

At the forthcoming Annual General Meeting, a single tier final dividend of 8% in respect of the financial year ended 30 April 2016 (0.80sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect the proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 April 2017.

The total net dividend per share to date for the current financial year is 1.60sen (2015: 0.725sen)

NOTES TO THE INTERIM FINANCIAL REPORT

25. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the quarter/period by the weighted average number of ordinary shares during the financial quarter/period.

	3 Months Period Ended 30 April		12 Months Period Ended 30 April	
	2016	**2015**	**2016**	**2015**
Net profit attributable to shareholders (RM'000)	10,047	13,175	57,667	42,642
Weighted average number of ordinary shares in issue ('000)	1,123,146	1,123,166	1,123,153	1,123,173
Basic earnings per share (sen)	0.9	1.2	5.1	3.8

26. Realised and Unrealised Profits/Losses

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

	As at 30/04/2016 RM'000	**As at 30/04/2015 RM'000**
Total retained profits of the Company and its subsidiaries : -		
-Realised	237,887	188,702
-Unrealised	(10,664)	(10,729)
	227,223	177,973
Add/(Less) : Consolidation adjustments	24,125	24,693
Total group retained profits as per consolidated accounts	251,348	202,666

By Order of the Board

Company Secretary

DATED THIS 23th DAY OF JUNE, 2016.