

Quarterly rpt on consolidated results for the financial period ended 31/1/2015

NTPM HOLDINGS BERHAD

Financial Year End 30/04/2015
 Quarter 3
 Quarterly report for the financial period ended 31/01/2015
 The figures have not been audited

Attachments[NTHB - 3rd Qtr Result ended 31 January 2015.pdf](#)

181 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)****SUMMARY OF KEY FINANCIAL INFORMATION**

	31/01/2015		31/01/2015	
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/01/2015 \$\$'000	31/01/2014 \$\$'000	31/01/2015 \$\$'000	31/01/2014 \$\$'000
1 Revenue	142,388	140,027	412,723	405,432
2 Profit/(loss) before tax	18,538	18,847	40,940	56,066
3 Profit/(loss) for the period	13,266	14,193	29,467	42,188
4 Profit/(loss) attributable to ordinary equity holders of the parent	13,266	14,193	29,467	42,188
5 Basic earnings/(loss) per share (Subunit)	1.20	1.30	2.60	3.80
6 Proposed/Declared dividend per share (Subunit)	0.73	1.45	0.73	1.45
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
		0.3200		0.3000

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
 Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name NTPM HOLDINGS BERHAD
 Stock Name NTPM
 Date Announced 20 Mar 2015
 Category Financial Results
 Reference No CS-150317-37188



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2015

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 2015	31 January 2014	31 January 2015	31 January 2014
	RM'000	RM'000	RM'000	RM'000
Revenue	142,388	140,027	412,723	405,432
Operating profit	20,141	19,726	45,032	58,787
Interest income	83	54	316	248
Interest expense	(1,686)	(933)	(4,408)	(2,969)
Profit before tax	18,538	18,847	40,940	56,066
Income tax expense	(5,272)	(4,654)	(11,473)	(13,878)
Profit net of tax	13,266	14,193	29,467	42,188
Profit attributable to:				
Owners of the parent	13,266	14,193	29,467	42,188
Non-controlling interests	-	-	-	-
	13,266	14,193	29,467	42,188
Basic/Diluted earnings per ordinary share (sen)	1.2	1.3	2.6	3.8

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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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2015

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	31 January 2015	31 January 2014	31 January 2015	31 January 2014
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	13,266	14,193	29,467	42,188
Other comprehensive income :				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	2,563	954	2,460	917
Total comprehensive income for the period	15,829	15,147	31,927	43,105
Total comprehensive income attributable to:				
Owners of the parent	15,829	15,147	31,927	43,105
Non-controlling interests	-	-	-	-
	15,829	15,147	31,927	43,105

The 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.



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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 2015	31 January 2014	31 January 2015	31 January 2014
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(83)	(54)	(316)	(248)
(b) Other income including investment income	(230)	(521)	(963)	(1,309)
(c) Interest expense	1,686	933	4,408	2,969
(d) Depreciation and amortisation	7,238	6,580	21,285	19,420
(e) Impairment loss on receivables	196	150	529	488
(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)	1,219	228	1,403	(224)
(j) (Gain)/loss on derivatives	1,113	842	1,338	1,036

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.

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**INTERIM FINANCIAL REPORT
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 January 2015	(Audited) As at 30 April 2014
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	354,823	305,009
LAND USE RIGHTS	21,655	20,543
DEFERRED TAX ASSETS	448	413
	<u>376,926</u>	<u>325,965</u>
CURRENT ASSETS		
Inventories	108,300	94,234
Trade receivables	91,798	85,646
Other receivables	36,487	30,963
Derivative assets	-	43
Cash and bank balances	33,939	44,442
	<u>270,524</u>	<u>255,328</u>
TOTAL ASSETS	<u>647,450</u>	<u>581,293</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(22)	(15)
RESERVES	243,752	228,111
TOTAL EQUITY	<u>356,050</u>	<u>340,416</u>
NON-CURRENT LIABILITIES		
BORROWINGS	37,954	11,287
DEFERRED TAX LIABILITIES	18,130	18,738
RETIREMENT BENEFIT OBLIGATIONS	2,344	2,121
	<u>58,428</u>	<u>32,146</u>
CURRENT LIABILITIES		
Retirement benefit obligations	2	2
Borrowings	152,103	122,623
Trade payables	25,352	30,413
Other payables	52,652	53,580
Tax payable	1,568	2,113
Derivative liabilities	1,295	-
	<u>232,972</u>	<u>208,731</u>
TOTAL LIABILITIES	<u>291,400</u>	<u>240,877</u>
TOTAL EQUITY AND LIABILITIES	<u>647,450</u>	<u>581,293</u>
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	<u>0.32</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.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

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	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)
At 31 January 2015	112,320	(22)	46,118	197,634	356,050	-	356,050

Nine Months Ended 31 January 2014

	← Attributable to owners of the parent →					Non-controlling Interest	Total Equity
	Non-distributable		Distributable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2013	112,320	(5,738)	43,074	160,731	310,387	-	310,387
Total comprehensive income for the period	-	-	917	42,188	43,105	-	43,105
Transactions with owners :							
Purchase of treasury shares	-	(95)	-	-	(95)	-	(95)
Resale of treasury shares	-	5,826	-	2,403	8,229	-	8,229
Dividends	-	-	-	(16,286)	(16,286)	-	(16,286)
Total transactions with owners :	-	5,731	-	(13,883)	(8,152)	-	(8,152)
At 31 January 2014	112,320	(7)	43,991	189,036	345,340	-	345,340

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

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**INTERIM FINANCIAL REPORT
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	9 months ended 31 January 2015 RM'000	9 months ended 31 January 2014 RM'000
OPERATING ACTIVITIES		
Profit before tax	40,940	56,066
Adjustments for:		
Amortisation of land use rights	363	358
Bad debts written off	33	38
Depreciation	20,922	19,062
Effect of exchange rate changes	(3,056)	(447)
Interest expense	4,408	2,969
Interest income	(316)	(248)
Loss/(gain) on disposal of property, plant and equipment	72	22
Net fair value loss on derivatives	1,338	1,036
Plant and equipment written off	19	150
Increase in liability for defined benefit plan	280	265
Impairment loss on loan and receivables	496	450
Unrealised foreign exchange loss/(gain)	411	(167)
Total adjustments	24,970	23,488
Operating cash flows before changes in working capital	65,910	79,554
Changes in working capital		
Increase in receivables	(11,724)	(18,331)
(Increase)/Decrease in inventories	(14,066)	3,515
(Decrease)/ Increase in payables	(6,016)	1,487
Increase in retirement benefit obligations	(57)	(126)
Total changes in working capital	(31,863)	(13,455)
Cash flows from operations	34,047	66,099
Interest paid	(4,408)	(2,969)
Tax paid	(13,337)	(13,059)
Tax refunded	-	444
Net cash flow generated from operating activities	16,302	50,515
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(66,998)	(37,946)
Acquisition of land use rights	-	(15)
Interest received	316	248
Proceeds from disposal of plant and equipment	216	114
Net cash used in investing activities	(66,466)	(37,599)
FINANCING ACTIVITIES		
Net change in bank borrowings	26,282	7,652
Repayment of term loans	(10,328)	(10,200)
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
Net cash (used in)/from financing activities	39,661	(10,700)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(10,503)	2,216
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	44,442	31,438
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	33,939	33,654
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	16,946	13,549
Deposits with licensed banks:		
Fixed deposit	11,085	10,090
Short term placements	5,908	10,015
	33,939	33,654

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 JANUARY 2015**

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 material effect on the financial performance or position of the Group.



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NOTES TO THE INTERIM FINANCIAL REPORT

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 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
Amendments to MFRS 101: Disclosure Initiative	1 January 2016
Amendments to MFRS-10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 15: Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments (IFRS 9 issued by IASB ⁺ 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.



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NOTES TO THE INTERIM FINANCIAL REPORT

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unused Reinvestment Allowance to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowance can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of unrecognised tax losses and capital allowances of the Group was RM24.06 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.



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NOTES TO THE INTERIM FINANCIAL REPORT

7. Changes in estimates

There were no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current year.

8. Debt and equity securities

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial period except for the following :

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 January 2015, 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 January 2015 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	290,416	122,307	412,723
Segment profit	34,760	6,180	40,940



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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
Segment assets	523,492	123,958	647,450
Included in the measure of segment assets is			
- capital expenditure	59,681	7,317	66,998

Segment information for the period ended 31 January 2014 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	290,842	114,590	405,432
Segment profit	45,424	10,642	56,066
Included in the measure of segment profit are			
- depreciation and amortisation	16,427	2,993	19,420
- non-cash expenses other than depreciation and amortisation	1,358	272	1,630
Segment assets	452,193	103,854	556,047
Included in the measure of segment assets is			
- capital expenditure	26,691	11,255	37,946

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 RM67.0 million and RM0.22 million respectively.



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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 2015 that have not been reflected in the interim financial statements as at the date of this report.

13. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current financial quarter and financial period to date.

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

The corporate guarantees of the Company are as follows:

	As at 31.01.2015	As at 30.04.2014
	RM'000	RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	<u>190,057</u>	<u>133,910</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	
	31.01.2015	31.01.2014	31.01.2015	31.01.2014
	RM'000	RM'000	RM'000	RM'000
Revenue				
Paper Products	99,795	102,118	290,416	290,842
Personal Care Products	42,593	37,909	122,307	114,590
Group	142,388	140,027	412,723	405,432
Profit before tax				
Paper Products	15,506	15,860	34,760	45,424
Personal Care Products	3,032	2,987	6,180	10,642
Group	18,538	18,847	40,940	56,066

Group

Group revenue for the period ended 31 January 2015 was RM412.7 million compared with RM405.4 million for the period ended 31 January 2014, an increase of 1.8%. 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 January 2015 was RM40.9 million, a decrease of 27.0% over RM56.1 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, utility, financing charges and higher loss on foreign exchange.

Paper Products segment

Revenue from the paper products segment for the period ended 31 January 2015 was RM290.4 million compared with RM290.8 million for the financial period ended 31 January 2014, a decrease of 0.14%. Profit before taxation in the paper products segment for the period ended 31 January 2015 was RM34.8 million, a decrease of 23.5% over the RM45.4 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, utility, financing charges and higher loss on foreign exchange.



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Personal Care Products segment

Revenue from the personal care products segment for the period ended 31 January 2015 was RM122.3 million compared with RM114.6 million recorded in the previous year corresponding period, an increase of 6.7%. The increase in revenue was mainly due to the increase in sales of baby diapers. The profit before taxation in the personal care products segment for the period ended 31 January 2015 was RM6.18 million, a decrease of 41.9% over the RM10.64 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 resulted from the weakening of Ringgit Malaysia (“RM”) against US Dollars (“USD”).

16. Comparison with immediate preceding quarter’s results

	Individual quarter ended		Variance	
	31.01.2015	31.10.2014		
	RM’000	RM’000	RM’000	%
Revenue	142,388	138,091	4,297	3.1
Profit before tax	18,538	12,557	5,981	47.6

The revenue for the quarter ended 31 January 2015 increased by RM4.3 million or 3.1% while profit before taxation increased by RM6.0 million or 47.6% 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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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 January 2015 RM'000	Year-to-date 9 months ended 31 January 2015 RM'000
Income tax		
Current year	5,168	12,043
Prior year	(125)	75
	<hr/> 5,043	<hr/> 12,118
Deferred tax		
Current year	122	(524)
Prior year	107	(121)
	<hr/> 5,272	<hr/> 11,473

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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21. Group borrowings

	31 January 2015
	RM'000
Non-current	
Unsecured	
Long term loan	<u>37,954</u>
Current	
Unsecured	
Bankers' acceptance	65,805
Export credit refinancing	13,476
Onshore Foreign Currency Loan(OFCL)	10,076
Revolving Credit (RC)	48,964
Term loans	13,782
	<u>152,103</u>

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

22. Derivatives financial instruments

Forward foreign exchange contracts are entered into by the Group in currencies other than their functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Group's policy is to hedge all excess amount of receivables against payables.

As at 31 January 2015, 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		
<u>Non-Hedging Derivatives</u>					
<u>Bank Buy</u>					
Singapore Dollar	3,859	10,138	10,380	(242)	10 Feb 2015 – 22 Apr 2015
US Dollar	4,920	17,100	18,153	(1,053)	22 Sep 2015 – 27 Jan 2016



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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 2015, the Group recognised a loss on derivative of RM1,113,000 and RM1,338,000 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 2015. 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

A single tier interim dividend of 7.25% in respect of the financial year ending 30 April 2015 (0.725sen per share) has been declared on 20 March 2015 and is to be paid on 16 April 2015 to depositors registered in the records of Depositors at the close of business on 6 April 2015. 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 2015.

In the corresponding financial period ended 31 January 2014, a single tier interim 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 16 April 2014.

The total net dividend per share to date for the current financial year is 0.725sen (2014 : 1.45sen)



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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		9 Months Period Ended	
	31 January		31 January	
	2015	2014	2015	2014
Net profit attributable to shareholders (RM'000)	13,266	14,193	29,467	42,188
Weighted average number of ordinary shares in issue ('000)	1,123,170	1,123,190	1,123,175	1,116,231
Basic earnings per share (sen)	1.2	1.3	2.6	3.8

26. Realised and Unrealised Profits/Losses

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

	As at 31/01/2015 RM'000	As at 30/04/2014 RM'000
Total retained profits of the Company and its subsidiaries : -		
-Realised	183,960	171,165
-Unrealised	(10,793)	(11,262)
	<hr/>	<hr/>
	173,167	159,903
Add/(Less) : Consolidation adjustments	24,467	24,550
Total group retained profits as per consolidated accounts	<hr/>	<hr/>
	197,634	184,453



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27. Comparatives

During the financial quarter/period, the Group made prior year adjustments for the financial quarter/period ended 31 January 2014 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
Income Statements			
3 Months Period Ended 31 January 2014			
Revenue	132,854	7,173	140,027
Cost of Sales	(92,984)	(7,173)	(100,157)
Income Statements			
9 Months Period Ended 31 January 2014			
Revenue	384,483	20,949	405,432
Cost of Sales	(267,505)	(20,949)	(288,454)

By Order of the Board

Company Secretary

DATED THIS 20th DAY OF MARCH, 2015.