



Contents

- Notice of the Eighth Annual General Meeting	2
- Notice of Dividend Entitlement	3
- Statement Accompanying the Notice of the Eighth Annual General Meeting	4
- Corporate Information	5
- Board of Directors	6 - 7
- Group Structure and Activities	8
- Chairman's Statement	9
- Managing Director's Review of Operations	10 - 11
- Statement on Corporate Governance	12 - 16
- Other Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad	17 - 19
- Audit Committee Report	20 - 22
- Statement on Internal Control	23
- Statement of Directors' Responsibilities	24
- Financial Statements	25 - 81
- List of Properties	82
- Analysis of Shareholdings	83 - 85
- Proxy Form	

NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of NTPM Holdings Berhad ("NTHB" or "the Company") will be held at Bukit Jawi Golf Resort, 691, Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Pulau Pinang on Friday, 17 September 2004 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the year ended 30 April 2004 together with the Reports of the Directors and Auditors thereon;
2. To consider and if thought fit, pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965 as an ordinary resolution:
"That Mr. Teoh Boon Beng @ Teoh Eng Kuan, who is over the age of seventy years and retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company, to hold office until the next Annual General Meeting of the Company."
3. To re-elect Mr. Lee Chong Choon who retires in accordance with Article 133 of the Company's Articles of Association and being eligible, offers himself for re-election;
4. To re-elect Mr. Teoh Teik Toe who retires in accordance with Article 138 of the Company's Articles of Association and being eligible, offers himself for re-election;
5. To approve the payment of a first and final tax exempt dividend of Ringgit Malaysia Twelve Million (RM12,000,000) only, equivalent to approximately 19.23% for the year ended 30 April 2004;
6. To approve the payment of directors' fees for the year ended 30 April 2004;
7. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration;

AS SPECIAL BUSINESS:

8. To consider and, if thought fit, to pass with or without modifications, the following ordinary resolution:

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"That subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental / regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10 percentum of the issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad) ("the Exchange") for the listing and quotation for the additional shares to be issued."

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a first and final tax exempt dividend of Ringgit Malaysia Twelve Million (RM12,000,000) only, equivalent to approximately 19.23% will be payable on 15 October 2004 to depositors who are registered in the Record of Depositors at the close of business on 24 September 2004 if approved by members at the Eighth Annual General Meeting on 17 September 2004.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 24 September 2004 in respect of ordinary transfers; and
- (b) Shares bought on the Exchange on a cum entitlement basis according to the Rules of the Exchange.

By Order of the Board,

THUM SOOK FUN
(MAICSA 7025619)
Company Secretary

Penang
Dated: 26 August 2004

Explanatory Notes to Special Business:

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution proposed under item no. 8 above, if passed, will empower the Directors to issue shares up to 10% of the issued capital of the Company for the time being for such purposes as the Directors may consider to be in the interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or the expiration of period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

Notes:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company. If a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. The instrument appointing a proxy shall be in writing, under the hand of the appointer or of his attorney duly authorised in writing. In the case where a member is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
4. All proxy forms must be duly executed and deposited at the registered office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 Pulau Pinang at least 48 hours before the time for holding the meeting or any adjournment thereof.

STATEMENT ACCOMPANYING THE NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING

1. Directors who are standing for re-appointment or re-election at the Eighth Annual General Meeting of the Company are:
 - i. Mr. Teoh Boon Beng @ Teoh Eng Kuan, who attended all the four (4) Board Meetings held during the year ended 30 April 2004
 - ii. Mr. Lee Chong Choon, who attended all the four (4) Board Meetings held during the year ended 30 April 2004
 - iii. Mr. Teoh Teik Toe, who has not attended any Board Meeting held during the year ended 30 April 2004 in view of his recent appointment to the Board on 9 July 2004
2. The Eighth Annual General Meeting of the Company will be held at Bukit Jawi Golf Resort, 691, Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Pulau Pinang on Friday, 17 September 2004 at 9.30 a.m.
3. Further details of the Directors standing for re-appointment or re-election at the Eighth Annual General Meeting are set out in page 6 the family relationship with any director and / or substantial shareholder of the Company is in page 7 and their shareholdings information is listed in pages 83 to 85 of this Annual Report.

CORPORATE INFORMATION

Board of Directors

Teoh Boon Beng @ Teoh Eng Kuan ~ Non-Executive Chairman
Lee See Jin ~ Managing Director
Lee Chong Choon ~ Executive Director
Teoh Teik Toe ~ Non-Executive Director
Lim Han Nge ~ Senior Independent Non-Executive Director
Tan Hock Soon ~ Independent Non-Executive Director

Audit Committee

Tan Hock Soon ~ Independent Non-Executive Director, Chairman
Lim Han Nge ~ Senior Independent Non-Executive Director, Member
Lee Chong Choon ~ Executive Director, Member

Head Office

No. 886, Jalan Bandar Baru, Sungai Kecil
14300 Nibong Tebal, Seberang Perai Selatan
Pulau Pinang
Tel No : 04-593 1296 / 04-593 1326
Fax No : 04-593 3373
Email : nthb@ntpm.com.my
Website : www.premier.com.my

Company Secretary

Thum Sook Fun (MAICSA 7025619)

Registered Office

Suite 18.05, MWE Plaza
No. 8, Lebuh Farquhar, 10200 Pulau Pinang.
Tel No : 04-263 1966 / 04-261 4680
Fax No : 04-262 8544

Auditors

Ernst & Young
Chartered Accountants
22nd Floor, MWE Plaza
No. 8, Lebuh Farquhar, 10200 Pulau Pinang.

Principal Bankers

Malayan Banking Berhad
HSBC Bank Malaysia Berhad
United Overseas Bank (Malaysia) Bhd

Share Registrar

Securities Services (Holdings) Sdn Bhd
Suite 18.05, MWE Plaza
No. 8, Lebuh Farquhar, 10200 Pulau Pinang.
Tel No : 04-263 1966 / 04-261 4680
Fax No : 04-262 8544

Stock Exchange Listing

Main Board of the Bursa Malaysia Securities Berhad (the Exchange)

Stock Name : NTPM
Stock Code : 5066

BOARD OF DIRECTORS

The details of the Board of Directors of NTPM Holdings Berhad ("the Company" or "NTHB") are as follows :

Teoh Boon Beng @ Teoh Eng Kuan

Aged 71, a Justice of Peace, was appointed to the Board of Directors of NTHB as Non-Executive Chairman on 26 April 2000. He obtained the Higher School Certificate in 1954. He is a businessman with vast experience and knowledge in various business sectors including rice milling, oil palm and rubber plantation and agriculture. Currently, he owns and operates a rice mill. He is the president of Kedah Chinese Chamber of Commerce and Industries since 2002. He also sits on the board of several private limited companies.

Lee See Jin

Aged 65, was appointed to the Board of Directors of NTHB on 20 October 1996. He obtained the Higher School Certificate in 1960. He is the Managing Director of NTHB and a Director of all subsidiaries of NTHB. He is a founder of the Group and has been in the paper industry for more than 25 years. Over these years, he has gained in-depth experience and knowledge of the paper industry in Malaysia.

Lee Chong Choon

Aged 39, was appointed to the Board of Directors of NTHB on 10 November 1999. He is an Executive Director of NTHB, a member of the Audit Committee and a Director of all the subsidiaries of NTHB. He holds a Diploma in Civil Engineering from the Singapore Polytechnic. He has extensive experience in process engineering and has provided the NTHB Group with technical manufacturing expertise. He was the Financial Controller of Nibong Tebal Paper Mill Sdn Bhd ("NTPM") from 1995 to 1997 and the Country Sales Manager of NTPM from 1997 to 1999. He has been instrumental in spearheading the progress of the Group and the development of the Group's products.

Teoh Teik Toe

Aged 36, was appointed to the Board of Directors of NTHB as a Non-Executive Director on 9 July 2004. He graduated from the University of Southern California, United States of America with a Bachelor of Science in Electrical Engineering (Honor) and later obtained a Master of Science in Computer Engineering from the said University. His first job was a Software Engineer in Hewlett Packard, Singapore before moving to TT Solution Pte Ltd in Singapore as Engineering Manager until current date.

BOARD OF DIRECTORS (CONTD.)

Lim Han Nge

Aged 49, was appointed as the Senior Independent Non-Executive Director of NTHB on 29 January 2003. He is also a member of the Audit Committee of the Company. He graduated from Coventry University, United Kingdom with a Bachelor of Arts (Honours) in Business Law. Thereafter, he qualified as a barrister (Lincoln's Inn, United Kingdom) in 1978 and was called to the Malaysian Bar in November 1979. Since then, he has been active in local legal practice. He is a practicing advocate & solicitor and is currently a partner in the legal firm of Messrs. Jin-Nge & Co, Alor Setar. He is a Director of several private limited companies and is a legal adviser to several non-government organization in Kedah.

Tan Hock Soon

Aged 32, was appointed as an Independent Non-Executive Director of NTHB on 29 January 2003. He is also the Chairman of the Audit Committee of the Company. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He commenced his career as an Articled Clerk with KPMG in January 1992 and left as an Audit Supervisor in June 1996. He joined CIMB in July 1996 before leaving as Assistant Manager in March 1999 to set up his own business. He is also a Director of several other private limited companies.

All the above Directors are Malaysian and have attended all the four Board Meetings held during the year ended 30 April 2004 except Mr. Teoh Teik Jin, who has resigned on 9 July 2004 and only attended 3 out of 4 meetings and Mr. Teoh Teik Toe, who was recently appointed to the Board on 9 July 2004 and did not attend any meeting held in the year ended 30 April 2004.

Save for Mr. Lee See Jin who is the father of Mr. Lee Chong Choon and Mr. Teoh Boon Beng @ Teoh Eng Kuan who is the uncle of Mr. Teoh Teik Toe and father of Mr. Teoh Teik Lin, a major shareholder of the Company, none of the Directors are related to each other and/or any major shareholder of the Company. In addition, all the above Directors have no conflict of interest with the Group and have never been charged for any offence other than traffic offences, if any, in the past 10 years.

GROUP STRUCTURE AND ACTIVITIES

NTHB

NTPM Holdings Berhad (384662-U)

- Investment Holding
- Provision of management support services

MANUFACTURING

NTPM

Nibong Tebal Paper Mill Sdn. Bhd. (22772-A)

- Manufacturing of paper products and sales of fast moving consumer goods (FMCG)

NTPC

Nibong Tebal Personal Care Sdn. Bhd. (228234-U)

- Manufacturing of personal care products

JI

Jia In Sdn. Bhd. (161672-A)

- Printing of operating manuals, journals and packaging materials

TRADING & SERVICES

NTE

Nibong Tebal Enterprise Sendirian Berhad (95077-H)

- Sales and marketing of FMCG

NTL

Nibong Tebal Logistics Sdn. Bhd. (378479-H)

(Formerly known as H-Link Sdn. Bhd.)

- Integrated Logistics services, warehousing and trading of FMCG

OVERSEAS TRADING

NTPP

Nibong Tebal Paper Products Pte. Ltd. (198600763K)

- Sales and marketing of FMCG

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of NTPM Holdings Berhad for the year ended 30 April 2004.

Financial Performance

The results for this financial year are mixed. We have enjoyed another year of growth whereby sales have increased by 8.4%. Tissue products grew 6.4% while sales of other personal care products more than doubled the sales of previous year.

Net profit after taxation, on the other hand is comparable to the net profit after taxation in the preceding year. There is no corresponding increase in profits due to higher costs as the result of competitive pricing of tissue products, aggressive advertising and promotion activities due to new entrants and cost increase in raw materials.

Trends and Prospects

Tissue paper products will continue to exude a strong presence in the local market. We also expect to make greater inroads into the nearby countries in the ASEAN region.

Production for sanitary napkins commenced in the third quarter of the financial year and together with the existing range of sanitary napkin products, we are now in a better position to competitively price our products.

We are optimistic that we will see continuing sales growth in the forthcoming year.

Dividends

The Board is pleased to recommend a first and final tax-exempt dividend of RM12 million, equivalent to approximately 19.23% for the financial year ended 30 April 2004.

The recommended dividend is subject to shareholders' approval at the forthcoming Annual General Meeting which will be held on 17 September 2004.

Acknowledgements

I would like to express my gratitude on behalf of the Board of Directors to all employees for another year of hard work and selfless contributions. I would also like to thank our business partners for their continuous support and in particular our customers for their confidence in our products.

I would also like to express my heartfelt thanks to my fellow colleagues on the Board for their advice and contributions for the past year. Last but not least, I would like to record my appreciation to Mr. Teoh Teik Jin for his contributions during his tenure with the Group. And I take this opportunity to welcome Mr. Teoh Teik Toe who was appointed to the Board of Directors recently as a Non Independent Non-Executive Director.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Group revenue increased to RM201 million compared to RM186 million in the preceding year. The net profit after taxation of RM28.5 million is comparable to the net profit after taxation of RM28.1 million in the previous year.

Tissue Products

Sales of tissue products enjoyed a growth of 6.4%. Local market and ASEAN countries, the traditional export market recorded an average growth of 4.5% while export sales achieved a growth close to 25.0%, notably in Australia and New Zealand.

There were several new entrants in the local market during the year. As a result of more competitions, NTPM took up the position to competitively price its products and at the same time embarked on aggressive advertising campaign and promotion activities to defend its market share. The growth achieved can be considered as remarkable since NTPM has not only successfully defended the market share but has managed to further increase its market share.

A new range of tissue products "ROYAL GOLD KIDS" was launched on 15 November 2003. The packaging of these premium products are printed with "LOONEY TUNES" cartoon characters licensed by agreement with Warner Bros. Consumer Products Inc. These products have been well received by consumers, particularly the younger age group.

The new tissue plant is currently under installation and barring any unforeseen circumstances, it is scheduled to be commissioned for use by December 2004. This new facility using crescent former technology will add another 100 metric tons per day capacity to the existing 150 metric tons per day capacity and is capable of producing high quality tissue products. Other than meeting the demand in the local market, the additional capacity will be utilized for sales in the ASEAN region as well as in Australia and the countries in the Asia Pacific region.

Sanitary Napkins

In September 2003, NTHB Group achieved another milestone with the commercial production of sanitary napkins in NTPC. The products from NTPC are marketed under the brand name "SENORA". These products will be targeted at the middle range market segment while "INTIMATE" will continue to cater to the high end market segment.

The sales of sanitary napkins have increased by five times compared to sales in the preceding year. NTHB Group will continue to promote these products via various mediums to create brand awareness and to reach out to a wider segment of consumers.



MANAGING DIRECTOR'S REVIEW OF OPERATIONS (CONTD.)

Product Recognition

Following the "Special Award for Local Brand" by the Ministry of International Trade and Industry last year, the "PREMIER" brand continues to gain recognition and was accorded the "National Creativity & Innovation Award – 2004" awarded by the Malaysia Design Technology Centre.

"PREMIER" was also selected by the Malaysian Superbrands Council as a Malaysian "SUPERBRAND" for 2003/2004. With all of these achievements, the "PREMIER" tissue paper brand has become one of the leading brands of facial and multi-purpose tissues in Malaysia.

Quality Management System

NTHB Group recognizes the fact that product quality is vital in order to create and maintain customer brand loyalty. Bearing this in mind, NTPM has successfully implemented Total Quality Management programs during the year.

Moody International Certification successfully completed the regular surveillance audit for ISO9001:2000 Quality Standards on 7 April 2004 for three companies; NTHB, NTPM and NTE.

Future Challenges

With the additional capacity, NTPM will ascend to a new platform, joining the ranks of world-class tissue manufacturers in terms of capacity and capability in producing high quality tissue products. This augurs well for the Group in its expansion plan in the ASEAN as well as in the Asia Pacific regions.

There is still a huge potential for an increase in personal and commercial applications of tissue products and the Group will continue to create awareness on the usages of tissue products through the various advertising media.

With the introduction of the middle range sanitary napkins (SENORA), NTE will have the opportunity to capture a bigger market share due to access to a wider market segment.

We look forward to another year of growth and the opportunities arising from the additional tissue capacity and a wider range of personal care products.



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of NTPM Holdings Berhad ("the Company") fully appreciates the importance of adopting the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance ("the Code"). The Board will maintain a transparent disclosure of the manner and extent that the Company has applied the said principles and best practices.

The Company has applied all the Best Practices relating to the Code with the exception of certain areas highlighted below. The reasons for such departures are specified therein.

	Best Practices	Reasons
1	Appointment of a nomination committee	<ul style="list-style-type: none"> The appointment of new Board members will be a matter for the whole Board to deliberate upon.
2	Appointment of a remuneration committee	<ul style="list-style-type: none"> The remuneration of the Executive Directors is a matter for the Board as a whole to deliberate upon based on market conditions, responsibilities held and the financial performance of the Group.

DIRECTORS

The Board

The Group acknowledges the vital role played by the Board of Directors in the stewardship of the directions and business operations of the Group, and ultimately the enhancement of long-term shareholders' value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including strategic direction, establishing goals for the management and monitoring the achievement of these goals.

Board Appointment

Mr. Teoh Teik Jin, a Non-Independent Non-Executive Director of the Company, resigned from the Board on 9 July 2004. On the same date, Mr. Teoh Teik Toe was appointed to the Board as a Non-Independent Non-Executive Director of the Company.

Re-election of Directors

In accordance with Article 138 of the Company's Articles of Association, all Directors appointed by the Board shall hold office until the next following Annual General Meeting and shall then be eligible for re-election by the shareholders.

In accordance with Article 133 of the Company's Articles of Association, one-third of the Directors are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election.

Directors over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

STATEMENT ON CORPORATE GOVERNANCE (CONTD.)

Meetings and Attendance

For the financial year ended 30 April 2004, the Board met four (4) times and details of the attendance are as follows :

Directors	Total Attendance	Percentage %
Teoh Boon Beng @ Teoh Eng Kuan	4/4	100
Lee See Jin	4/4	100
Lee Chong Choon	4/4	100
Teoh Teik Jin (resigned on 9 July 2004)	3/4	75
Lim Han Nge	4/4	100
Tan Hock Soon	4/4	100
Teoh Teik Toe (appointed on 9 July 2004)	Not applicable	Not applicable

Board Balance

The Board currently has six (6) members comprising a Non-Executive Chairman, two (2) Executive Directors, one (1) Non-Independent and Non-Executive Director and two (2) Independent Non-Executive Directors. The Board has complied with the Listing Requirements of the Exchange that at least two (2) directors or 1/3 of the Board comprise of Independent Non-Executive Directors.

The Directors collectively, with their different background and specialization, bring with them a diverse wealth of experience and expertise in areas such as business, finance, legal, engineering, regulatory and operations which is relevant to the Group. A brief profile of each individual Directors are set out on pages 6 to 7 of this Annual Report.

There is a clear division of roles and responsibilities between the Chairman (non-executive) and the Managing Director (executive capacity) to ensure there is a balance of power and authority. The Chairman holds a non-executive position and is primarily responsible for matters pertaining to Board and overall conduct of the Group. The Managing Director oversees the business operations of the Group and the implementation of the Board's decisions and policies.

The Board is satisfied that the Independent Non-Executive Directors represent the interest of public shareholders in the Company. Mr. Lim Han Nge is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

STATEMENT ON CORPORATE GOVERNANCE (CONTD.)

Supply of Information

The agenda and a full set of papers which encompass both qualitative and quantitative information are forwarded to the Directors at least seven (7) days prior to the meeting to ensure that the Directors have sufficient time to study them and be properly prepared for each meeting. Where necessary, the Directors can obtain clarifications, further explanations or information so that deliberations at the meeting are focused and constructive.

All Directors have unrestricted access to any information pertaining to the Group. The Directors also have access to the advice and services of the Company Secretary.

Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme ("MAP") conducted by Research Institute of Investment Analysts Malaysia (now known as Bursa Malaysia Training Sdn. Bhd.), except for the newly appointed Director, Mr. Teoh Teik Toe, who shall attend the MAP within four months from his date of appointment.

The Directors, except Mr. Teoh Teik Toe, are currently attending the Continuing Education Programmes ("CEP") and seminars so as to keep abreast with the changes on guidelines issued by the relevant authorities as well as the latest developments in the market place which can complement their services to the Group.

Directors' Remuneration

The remuneration package of each Executive Director is structured so as to link rewards to corporate and individual performance.

The Non-Executive Directors' remuneration comprises fees and allowances. Determination of the said remuneration is balanced with their expected roles and responsibilities including any additional work and contribution required.

The Directors' remuneration is analysed as follows:

	Annual Fees RM	Salaries & Bonuses RM	Benefit-in Kind RM	Allowance RM	Total RM
Executive Directors	40,000	1,347,201	27,300	Nil	1,414,501
Non-Executive Directors	80,000	Nil	Nil	7,500	87,500

STATEMENT ON CORPORATE GOVERNANCE (CONTD.)

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	4
RM400,001 - RM450,000	1	-
RM950,001 - RM1,000,000	1	-

The Board has considered the Best Practice of the Code on disclosure of details of the remuneration of each Director and is of the view that it is inappropriate to disclose the remuneration of individual Directors. However, the above disclosure was made in accordance with the format as prescribed by the Listing Requirements of the Exchange.

SHAREHOLDERS

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. The timely release of financial results on a quarterly basis provides shareholders with an overview of the Group's performance and operations.

The Executive Directors meet up with and brief financial analysts and representatives from securities firms on an ad hoc basis.

The AGM represents a principal forum for dialogue with shareholders. Notice of the AGM and annual reports are sent out to shareholders at least 21 days before the date of the meeting. The shareholders are encouraged to raise questions both about the Group's financial results and operations in general.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and understandable assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual audited financial statements and announcement of quarterly reports to shareholders.

Internal Control

The Statement on Internal Control furnished on page 23 of the Annual Report provides an overview of the state on internal controls within the Group.

STATEMENT ON CORPORATE GOVERNANCE (CONTD.)

Relationship with the Auditors

The Audit Committee (AC) maintains an appropriate relationship with the Group's external auditors. The roles, authority and responsibilities of the AC are presented in the report set out on pages 20 to 22 of this annual report.

During the financial year 2004, the Independent Non-Executive Directors had held a dialogue session with the external auditors on 26 June 2003 and 19 March 2004 in compliance with the Best Practices of the Code.

The Group has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the relevant accounting standards. During the year, non-audit fees of RM21,252 were paid to the Group's external auditors for professional fees as tax agent.

This statement is made in accordance with a resolution of the Board of Directors dated 16 July 2004.

OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

UTILISATION OF PROCEEDS

During the financial year, there was no utilisation of proceeds raised from any corporate proposal.

SHARE BUYBACKS

During the financial year, the Company did not enter into any share buyback transactions.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants or convertible securities during the financial year.

AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME

During the financial year, the Company did not sponsor any ADR or GDR programme.

IMPOSITION OF SANCTIONS AND PENALTIES

There were no sanctions or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

NON-AUDIT FEES

During the year, non audit fees of RM21,252 were paid to the Group's external auditors as professional fees paid to them as tax agent.

VARIATION OF ACTUAL PROFIT FROM PROFIT FORECAST

For the financial year ended 30 April 2004, profit after taxation is RM6.1 million or 17.7% lower than the profit forecast for the financial year ended 30 April 2004. The major reasons for the shortfall are as follows:-

(1) Lower than forecast revenue during the financial year.

The shortfall of RM13.7 million in sales was mainly due to the delay in market expansion to other ASEAN countries in particular Thailand and lower than expected production output. The actual output of 47,820 metric tons was 3,780 metric tons or 7.3% below the forecast output of 51,600 metric tons.

OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

Thorough research in respect of the legislation, rules and regulations for the expansion into Thailand had resulted in the delay in its implementation.

The reason for lower than expected production output was mainly due to the delay in the delivery of the 3.4 meter rewinding machine purchased from Taiwan compounded by its inconsistent performance resulting in lower production output for toilet tissue products. The machine, costing approximately RM3.4 million, was scheduled for delivery in February 2003 but was delivered in June 2003. This machine which was commissioned in September 2003 incurred much downtime, which translated into lower production output, thus reducing sales for the period.

(2) Higher advertisement and promotional expenses.

Additional advertising and promotional cost were incurred to enhance the brand awareness of the Group's new product, sanitary napkins.

Stiff competition encountered during the year by the entry of new players into the Malaysian tissue market and the repositioning exercise undertaken by an existing competitor resulted in the Group having to incur higher advertisement and promotional cost in order to maintain its market share.

Total advertisement and promotional expenses incurred for the year was RM3.9 million compared to the forecast expenses of RM1.4 million.

(3) Higher effective tax rate for the year

As disclosed in the prospectus, the NTHB Group intended to increase its production

capacity by another 100 metric ton per day to 250 metric ton per day in the financial year ended 30 April 2004. The new plant and machinery was expected to be commissioned towards the end of the financial year. The investment will qualify for reinvestment allowance benefits from income tax based on 60% of the capital expenditure to be incurred and utilized against up to 70% of the statutory income in the year of assessment. The NTHB Group has included the said tax benefits in the preparation of the forecast for the financial year ended 30 April 2004.

Given the aforementioned experience with the 3.4 meter rewinding machine, much time and efforts were deployed in sourcing and evaluating the most appropriate plant and machinery which involves substantial capital outlay resulting in its delay in implementation and ability to realize the tax benefits of claiming

reinvestment allowance for the year ended 30 April 2004.

As a result, the effective tax rate for the financial year ended 30 April 2004 was 18.4% compared to the effective tax rate of 16.0% as forecast for the similar financial year.

OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

(4) Higher other income for the year

A partial payment of Euro1.71 million in January 2004 for the purchase of the new 100 metric tons plant and machinery has resulted in an exchange gain of RM1.15 million. Another RM0.7 million which had been written-off as bad debt previously was recovered from a customer.

These have caused a substantial increase in other income to RM2.6 million compared to the forecast other income of RM0.2 million, thus reducing the effects of the abovementioned shortfall.

The above variances resulted from situations which were unexpected and are unforeseen and beyond the control of the management.

MATERIAL CONTRACTS FOR THE YEAR ENDED 30 APRIL 2004

There were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders.

REVALUATION POLICY ON LANDED PROPERTIES

Revaluations of freehold and leasehold land are made at least once in every five years based on a valuation by an independent valuer on an open market basis.

AUDIT COMMITTEE REPORT

Composition

Chairman	Tan Hock Soon Independent Non-Executive Director
Members	Lim Han Nge Senior Independent Non-Executive Director Lee Chong Choon Executive Director

Terms of Reference

The primary objective of the Audit Committee is to assist the Board of NTHB in discharging its statutory duties and responsibilities relating to accounting and financial reporting and determining the adequacy of the Company's control environments and quality of the audits.

Functions

The duties of the Audit Committee are as follows:

- To nominate a person or persons as auditors.
- To discuss with the external auditors before the audit commences the nature and scope of the audit, ensure co-ordination where more than one audit firm is involved.
- To review the quarterly and annual financial statements before submission to the Board, focusing particularly on :
 - any changes in accounting policies and practices.
 - major judgmental areas.
 - significant adjustments resulting from the audit.
 - compliance with accounting standards;
 - compliance with stock exchange and legal requirements.
 - any related party transactions that may arise within the Company or Group.
- To review with the auditors, their audit plans, the evaluation of the system of internal controls and their audit reports.
- To review the internal audit program, consider the major findings of the internal audit investigations and management's response and ensure appropriate action is taken.
- To review the adequacy of the scope, functions and resources of the internal audit functions and ensure that it has the necessary authority to carry out its work.
- To keep under review the effectiveness of the internal control systems in the context of the Company's overall risk management.
- To review any letters of resignation from the external auditors and whether there is any reason why the external auditors should not be re-appointed.
- To monitor the foreign currency transactions and determine and review the policies associated to each transaction annually.
- To consider other functions as may be agreed to by the Committee and the Board of Directors.

AUDIT COMMITTEE REPORT (CONTD.)

Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to have the resources which are required to perform its duties, have full and unrestricted access to any information pertaining to the Company and have direct communications channels with the external and internal auditors.

The Committee is authorized by the Board to obtain external legal, independent or other professional advice and be able to convene meetings with external parties whenever deemed necessary

Meetings

The Committee shall hold at least four regular meetings per year. In order to form a quorum, the majority of members present must be independent directors.

The Committee may invite any management staff and external auditor or professional adviser to be in attendance.

The Committee met four times during the financial year 2004 and all the Committee members attended all the four meetings. The other Directors who are not Committee members, Finance Manager, Head of Internal Audit, external auditors and external advisors, upon invitation of the Committee, attended the Committee meetings to assist in its deliberations.

Audit Committee

During the financial year 2004, the Audit Committee carried out the following activities in discharging its functions and duties in accordance with the terms of reference of the Audit Committee:

- reviewed the unaudited interim financial results of the Company and the Group before recommending to the Board for approval;
- reviewed the annual audited financial statements of the Company and the Group before recommending to the Board for approval;
- reviewed the reports from the internal auditors to assess the state of the internal control system of the Group;
- reviewed the related party transactions;
- reviewed the foreign currency transactions of the Group;
- reviewed with the external auditors, their audit plan, audit approach and reporting requirements prior to the commencement of audit work;
- reviewed with the external auditors, their audit findings and approved for adoption their recommendations;
- reviewed the re-appointment of the external auditors for the ensuing year.

Reports/Minutes

Minutes of each meeting shall be kept by the Company Secretary as evidence that the Committee has discharged its functions. The Chairman of the Committee will report to the Board after each Audit Committee meeting.

AUDIT COMMITTEE REPORT (CONTD.)

Internal Audit Department

An internal audit department was established within the organization structure of the Group, being an extension of the authority and duties of the Audit Committee. The functions of the Internal Audit Department are to provide independent and objective assurance and consulting services designed to add value and improve the Group's operational efficiency. It assists the Group in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit Function

The Company has established an internal audit department (IAD) on 19 December 2003. The functions, responsibilities, authority of the IAD and guidelines for the interactions between the IAD, the Audit Committee and the management of the Group were formalized in an Internal Audit Charter. The charter had been approved by the Audit Committee during the financial year.

The major role of IAD is to assist the Audit Committee in discharging its duties and responsibilities and functions which include the review of adequacy and effectiveness of system of internal control, risk management, operational controls, data validation, compliance with policies, regulation and statutory requirements, assets safeguarding, and review of actual financial performance against financial budget.

Prior to the formal establishment of the IAD, the members of IAD have regularly conducted audits in the areas of credit control and finished goods inventory.

IAD has also set up a Risk Management Committee (RMC) and Risk Management Units (RMU) to review, manage and control risks based on the enterprise risk management (ERM) assessment conducted by a professional firm engaged by the Company. The first RMC meeting was held on 15 March 2004. At the meeting, it was established that RMU shall be responsible to manage and control risks in their respective areas. RMU shall also provide update on the latest status and plans in each RMC meeting. During these meetings, the IAD shall ensure that recommendations are formulated within the limitations of the Internal Audit Charter. The IAD will also prepare the internal audit plan based on the proceedings of these meetings.

The IAD also recommended the use of NTPM Intranet systems to capture risk management information and reports. This information which is accessible by employees will create awareness and understanding of the concepts of risk and control.

The IAD had reviewed the five principal risks which were identified during the ERM assessment with the Head of Business Units. All controls that have been implemented are appropriate and adequate and tests on these controls will be incorporated in the internal audit plan.

STATEMENT ON INTERNAL CONTROL

The Board is ultimately responsible for the Group's system of internal control as well as reviewing its adequacy and integrity. Because of the limitations that are inherent in any system of internal control, this system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, internal controls can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, risk management and financial, organizational, operational and compliance control.

The Board relies largely on the close involvement of the executive directors of the Group in the daily operations. There are periodic reviews of operational performance at management meetings.

The Board also recognizes the need for continuous improvement in its system of internal control as an effective system of internal control is necessary to safeguard shareholders' investments and an important part of managing risks.

The key process of the internal control functions is inculcated within the various procedures and includes the following:

- The Board reviews quarterly reports from management on the key operating performance, legal, environmental and regulatory matters. Financial performance is also deliberated at the Board meetings.
- Executive members of the Board have day-to-day involvement in all aspects of the business and attend weekly and monthly management meetings attended by senior managers to deliberate on business, financial and operating issues which include reviewing and approving all key business strategic measures and policies.
- An enterprise risk management framework has been established and the Risk Management Committee (RMC) has been formed to ensure that the risk management structure is embedded and consistently applied in the Group. The RMC will regularly review the principal risks faced by the Group and the status of management actions. An Internal Audit function has been established to assist the Audit Committee in discharging their duties and responsibilities.
- The Group has a clear organization structure and well defined lines of responsibility which provide a sound framework of authority and approving limits within the organization and to facilitate quality and timely corporate decisions.

The Board continues to take measures to strengthen the internal control environment.

The statement is made in accordance with the resolution of the Board of Directors dated 16 July 2004.

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the results and cash flows of the Group for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 April 2004, the Group has used the appropriate accounting policies and consistently applied and supported by reasonable prudent judgment and estimates and that measures have been taken to ensure that accounting records are properly kept in accordance with the law.



Financial Statements

- Directors' Report	26 - 30
- Statement By Directors	31
- Statutory Declaration	31
- Report Of The Auditors	32 - 33
- Income Statements	34
- Balance Sheets	35
- Statements Of Changes In Equity	36
- Cash Flow Statements	37 - 39
- Notes To The Financial Statements	40 - 81

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 13 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit after taxation	28,583,372	6,010,592
Minority interests	(69,288)	-
Net profit for the year	<u>28,514,084</u>	<u>6,010,592</u>

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the changes in accounting policies as disclosed in Note 28 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 30 April 2003 were as follows:

	RM
In respect of the financial year ended 30 April 2003 as reported in the directors' report of that year:	
Final tax exempt dividend of 9.62% paid on 17 October 2003	<u>6,000,000</u>

DIVIDENDS (CONTD.)

At the forthcoming Annual General Meeting, a final tax exempt dividend in respect of the financial year ended 30 April 2004, of 19.23% on 624,000,000 ordinary shares of RM0.10 each, amounting to a total dividend payable of RM12,000,000 (1.92 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this 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 2005.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Lee See Jin

Lee Chong Choon*

Teoh Boon Beng @ Teoh Eng Kuan

Teoh Teik Jin

(resigned on 9 July 2004)

Teoh Teik Toe

(appointed on 9 July 2004)

Lim Han Nge*

Tan Hock Soon*

* Being members of Audit Committee.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements or the fixed salary of a full-time employee of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM0.10 Each			
	1 May 2003	Bought	Sold	30 April 2004
The Company				
Direct				
Lee See Jin	177,218,594	7,315,600	2,000,000	182,534,194
Lee Chong Choon	31,270,565	13,276,200	-	44,546,765
Teoh Boon Beng @ Teoh Eng Kuan	-	10,409,500	-	10,409,500
Teoh Teik Jin	22,751,213	-	13,650,000	9,101,213
Indirect				
Lee See Jin *	14,094,325	-	-	14,094,325
Teoh Boon Beng @ Teoh Eng Kuan **	24,151,068	-	-	24,151,068
Teoh Teik Jin ***	-	21,092,729	-	21,092,729

* Deemed interested by virtue of his spouse's interest in the Company pursuant to Section 6A and 122A of the Companies Act, 1965.

** Deemed interested by virtue of his shareholdings in Kota Beras Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

*** Deemed interested by virtue of his shareholdings in BT Teoh Holdings Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

Lee See Jin, by virtue of his interests in shares in the Company, is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision has been made for doubtful debts in the financial statements of the Group. The directors were also satisfied that there were no known bad debts and that no provision for doubtful debts was necessary in the financial statements of the Company; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group inadequate to any substantial extent nor are they aware of any circumstances which would render it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONTD.)

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SUBSEQUENT EVENTS

The subsequent events are as disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors:

LEE SEE JIN

LEE CHONG CHOON

Penang, Malaysia
Date: 16 July 2004

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, LEE SEE JIN and LEE CHONG CHOON, being two of the directors of NTPM HOLDINGS BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 34 to 81 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2004 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed in accordance with a resolution of the directors:

LEE SEE JIN

LEE CHONG CHOON

Penang, Malaysia
Date: 16 July 2004

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, ONG SWEE CHYE, being the officer primarily responsible for the financial management of NTPM HOLDINGS BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 34 to 81 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed ONG SWEE CHYE
at Georgetown in the State of Penang
on 16 July 2004 :

ONG SWEE CHYE

Before me,

Chai Choon Kiat, PJM
No. P. 073
Commissioner for Oaths

REPORT OF THE AUDITORS TO THE MEMBERS OF NTPM HOLDINGS BERHAD

We have audited the accompanying financial statements set out on pages 34 to 81. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 30 April 2004 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

REPORT OF THE AUDITORS TO THE MEMBERS OF NTPM HOLDINGS BERHAD (CONTD.)

We have considered the financial statements and the auditors' report thereon of a subsidiary of which we have not acted as auditors, as indicated in Note 13 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Section 174(3) of the Act.

ERNST & YOUNG
AF: 0039
Chartered Accountants

Penang, Malaysia
Date: 16 July 2004

LIM ENG HUAT
No. 2403/04/05(J)
Partner

INCOME STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2004

	Note	GROUP		COMPANY	
		2004	2003	2004	2003
		RM	RM	RM	RM
			Restated		
Revenue	3	201,353,617	185,751,805	6,500,000	15,775,368
Other operating income	4	2,589,534	756,280	-	-
Advertising and promotional expenses		(3,945,969)	(3,044,666)	-	-
Changes in inventories of finished goods and work-in-progress		3,069,134	1,273,070	-	-
Depreciation		(13,227,362)	(11,992,622)	-	-
Purchase of trading inventories		(6,397,277)	(4,520,099)	-	-
Raw materials and consumables used		(75,368,241)	(66,486,312)	-	-
Repairs and maintenance		(5,805,878)	(5,042,819)	-	-
Staff costs	5	(33,715,819)	(29,980,134)	(40,000)	(70,000)
Sundry wages		(1,287,701)	(1,411,389)	-	-
Transportation and freight charges		(10,538,977)	(9,161,515)	-	-
Utilities costs		(13,182,958)	(11,727,546)	-	-
Other operating expenses	6	(7,028,466)	(7,741,742)	(309,408)	(1,046,144)
Profit from operations		36,513,637	36,672,311	6,150,592	14,659,224
Finance costs, net	8	(1,461,517)	(1,056,973)	-	(81,159)
Profit before taxation		35,052,120	35,615,338	6,150,592	14,578,065
Taxation	9	(6,468,748)	(7,481,952)	(140,000)	(466,667)
Profit after taxation		28,583,372	28,133,386	6,010,592	14,111,398
Minority interests		(69,288)	12,142	-	-
Net profit for the year		28,514,084	28,145,528	6,010,592	14,111,398
Earnings per share (sen)	10	4.6	4.5		
Net dividend per share (sen)	11	0.96	362.6	0.96	362.6

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 30 APRIL 2004

		GROUP		COMPANY	
	Note	2004	2003	2004	2003
		RM	RM	RM	RM
			Restated		
<hr/>					
NON-CURRENT ASSETS					
Property, plant and equipment	12	141,325,242	116,240,399	-	-
Investments in subsidiaries	13	-	-	88,889,227	88,889,227
Other investments	14	84,002	104,002	-	-
		<u>141,409,244</u>	<u>116,344,401</u>	<u>88,889,227</u>	<u>88,889,227</u>
<hr/>					
CURRENT ASSETS					
Inventories	15	22,635,205	17,528,026	-	-
Trade receivables	16	34,287,562	32,655,542	-	-
Other receivables	17	2,931,800	3,502,671	500,819	140,819
Cash and bank balances	18	8,090,794	6,585,331	15,995	15,995
		<u>67,945,361</u>	<u>60,271,570</u>	<u>516,814</u>	<u>156,814</u>
<hr/>					
CURRENT LIABILITIES					
Retirement benefit obligations	19	471,315	384,465	-	-
Borrowings	20	32,103,946	30,349,272	-	-
Trade payables	21	13,731,133	10,455,363	-	-
Other payables	22	12,990,281	12,880,758	2,651,813	2,302,405
Tax payable		686,034	726,855	-	-
		<u>59,982,709</u>	<u>54,796,713</u>	<u>2,651,813</u>	<u>2,302,405</u>
<hr/>					
NET CURRENT ASSETS/ (LIABILITIES)					
		<u>7,962,652</u>	<u>5,474,857</u>	<u>(2,134,999)</u>	<u>(2,145,591)</u>
		<u>149,371,896</u>	<u>121,819,258</u>	<u>86,754,228</u>	<u>86,743,636</u>
<hr/>					
FINANCED BY:					
Share capital	23	62,400,000	62,400,000	62,400,000	62,400,000
Other reserves	24	7,863,232	7,863,232	24,972,543	24,972,543
Retained profits/ (Accumulated losses)	25	60,952,987	38,438,903	(618,315)	(628,907)
Shareholders' equity		<u>131,216,219</u>	<u>108,702,135</u>	<u>86,754,228</u>	<u>86,743,636</u>
Minority interests		682,927	613,639	-	-
		<u>131,899,146</u>	<u>109,315,774</u>	<u>86,754,228</u>	<u>86,743,636</u>
Borrowings	20	4,982,140	364,384	-	-
Deferred tax liabilities	26	12,332,067	11,954,133	-	-
Reserve on consolidation	27	158,543	184,967	-	-
		<u>149,371,896</u>	<u>121,819,258</u>	<u>86,754,228</u>	<u>86,743,636</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2004

GROUP	Note	← Non-Distributable →			Distributable	Total RM
		Share Capital RM	Share Premium RM	Other Reserves RM	Retained Profits RM	
At 1 May 2002						
As previously stated		3,891,299	317,747	36,513,186	45,807,316	86,529,548
Prior year adjustments	28	-	-	-	8,135,760	8,135,760
At 1 May 2002 (restated)		3,891,299	317,747	36,513,186	53,943,076	94,665,308
Bonus issue	23/24	58,508,701	(317,747)	(28,649,954)	(29,541,000)	-
Net profit for the year		-	-	-	28,145,528	28,145,528
Dividends	11	-	-	-	(14,108,701)	(14,108,701)
At 30 April 2003		62,400,000	-	7,863,232	38,438,903	108,702,135
At 1 May 2003						
As previously stated		62,400,000	-	7,863,232	38,934,527	109,197,759
Prior year adjustments	28	-	-	-	(495,624)	(495,624)
At 1 May 2003 (restated)		62,400,000	-	7,863,232	38,438,903	108,702,135
Net profit for the year		-	-	-	28,514,084	28,514,084
Dividends	11	-	-	-	(6,000,000)	(6,000,000)
At 30 April 2004		62,400,000	-	7,863,232	60,952,987	131,216,219

COMPANY	Note	Non distributable		Accumulated Losses RM	Total RM
		Share Capital RM	Revaluation Reserve RM		
At 1 May 2002		3,891,299	83,481,244	(631,604)	86,740,939
Bonus issue	23/24	58,508,701	(58,508,701)	-	-
Net profit for the year		-	-	14,111,398	14,111,398
Dividends	11	-	-	(14,108,701)	(14,108,701)
At 30 April 2003		62,400,000	24,972,543	(628,907)	86,743,636
Net profit for the year		-	-	6,010,592	6,010,592
Dividends	11	-	-	(6,000,000)	(6,000,000)
At 30 April 2004		62,400,000	24,972,543	(618,315)	86,754,228

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2004.

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
	Restated			
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	35,052,120	35,615,338	6,150,592	14,578,065
Adjustments for:				
Bad debts written off	168,827	90,719	-	-
Depreciation	13,227,362	11,992,622	-	-
Deposit written off	-	1,015	-	-
Interest expense	1,187,361	857,466	-	81,159
Inventories written down to net realisable value	73,474	199,920	-	-
Plant and equipment written off	593	77,353	-	-
Provision for doubtful debts	281,197	230,156	-	-
Provision for retirement benefits	86,850	62,486	-	-
Amortisation of reserve on consolidation	(26,424)	(26,424)	-	-
Dividend income	-	-	(6,500,000)	(15,775,368)
Gain on disposal of plant and equipment	(203,822)	(123,298)	-	-
Interest income	(7,536)	(5,503)	-	-
Reversal of provision for doubtful debts	-	(19,642)	-	-
Unrealised foreign exchange gain	(53,312)	(7,405)	-	-
Membership in golf club written off	20,000	-	-	-
Operating profit/(loss) before working capital changes	49,806,690	48,944,803	(349,408)	(1,116,144)
Increase in receivables	(1,770,053)	(910,025)	-	-
Increase in inventories	(5,180,653)	(3,673,754)	-	-
Increase/(decrease) in payables	3,388,293	(5,109,022)	(98,408)	(14,020)
Cash generated from/(used in) operations	46,244,277	39,252,002	(447,816)	(1,130,164)
Tax paid	(5,787,075)	(8,669,731)	-	-
Interest paid	(1,187,361)	(857,466)	-	(81,159)
Net cash generated from/(used in) operating activities	39,269,841	29,724,805	(447,816)	(1,211,323)

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS (CONTD.) FOR THE YEAR ENDED 30 APRIL 2004

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
		Restated		
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note A)	(37,859,744)	(27,825,618)	-	-
Interest received	7,536	5,503	-	-
Proceeds from disposal of property, plant and equipment (Note B)	192,693	237,699	-	-
Dividend received	-	-	6,000,000	-
Net change in related companies balances	-	-	447,816	15,320,024
Net cash (used in)/generated from investing activities	(37,659,515)	(27,582,416)	6,447,816	15,320,024
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(6,000,000)	(14,108,701)	(6,000,000)	(14,108,701)
Net change in bank borrowings	710,821	17,820,179	-	-
Repayment of hire-purchase balances	(415,129)	(25,976)	-	-
Repayment of term loans	(1,622,607)	(2,660,353)	-	-
Drawdown of term loan	7,229,420	500,000	-	-
Net cash (used in)/generated from financing activities	(97,495)	1,525,149	(6,000,000)	(14,108,701)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,512,831	3,667,538	-	-
CASH AND CASH EQUIVALENTS AS AT 1 MAY	6,607,797	2,940,259	15,995	15,995
CASH AND CASH EQUIVALENTS AS AT 30 APRIL (Note C)	8,120,628	6,607,797	15,995	15,995

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 30 APRIL 2004

A. Purchase of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM38,392,669 (2003: RM27,854,618) by the following means:

	2004 RM	2003 RM
Cash payments	37,859,744	27,825,618
Hire-purchase	469,925	-
Trade in	63,000	29,000
	<u>38,392,669</u>	<u>27,854,618</u>

B. Proceeds from disposal of property, plant and equipment

During the financial year, the Group disposed property, plant and equipment with an aggregate sales consideration of RM220,693 (2003: RM237,699) which was settled by the following means:

	2004 RM	2003 RM
Cash proceeds	192,693	237,699
Staff loans	28,000	-
	<u>220,693</u>	<u>237,699</u>

C. Cash and cash equivalents comprise

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Cash and bank balances	8,090,794	6,585,331	15,995	15,995
Effects of exchange rate changes in cash and cash equivalents	29,834	22,466	-	-
Cash and cash equivalents	<u>8,120,628</u>	<u>6,607,797</u>	<u>15,995</u>	<u>15,995</u>

The accompanying notes form an integral part of the financial statements.