NTPM HOLDINGS BERHAD (384662-U)

ANNUAL REPORT 2005

CARING FOR WORLD'S HYGIENE & BEYOND

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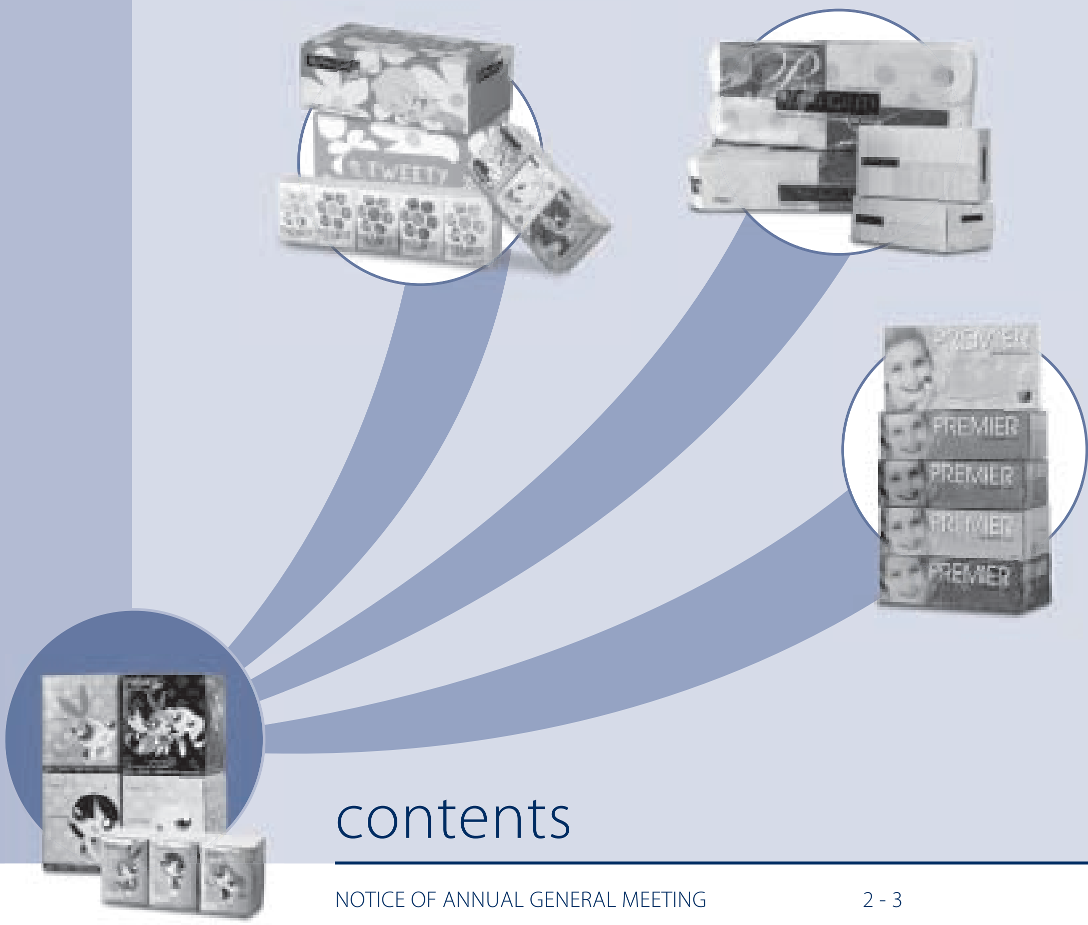

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth (9th) 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, 16 September 2005 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 2005 together with the Reports of the Directors and Auditors thereon;

2. To consider and if thought fit, to 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 the following Directors who retire in accordance with Article 133 of the Company's Articles of Association and being eligible, offer themselves for re-election:
   (i) Mr. Lee See Jin
   (ii) Mr. Lim Han Nge

4. To approve the payment of final tax exempt dividend of Ringgit Malaysia Twelve Million (RM12,000,000) only, equivalent to approximately 19.23% for the year ended 30 April 2005;

5. To approve the payment of directors' fees of Ringgit Malaysia One Hundred and Eighty Thousand (RM180,000.00) only for the year ended 30 April 2005;

6. 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:

7. 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 ("the Bursa Securities") for the listing and quotation for the additional shares to be issued."

NOTICE OF ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a final tax exempt dividend of Ringgit Malaysia Twelve Million (RM12,000,000) only, equivalent to approximately 19.23% will be payable on 14 October 2005 to depositors who are registered in the Record of Depositors at the close of business on 23 September 2005 if approved by members at the Ninth Annual General Meeting to be held on 16 September 2005.

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 23 September 2005 in respect of ordinary transfers; and

(b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board,

THUM SOOK FUN
(MAICSA 7025619)
Company Secretary

Penang
Dated: 25 August 2005

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. 7 above, if passed, will empower the Directors to issue shares up to 10 percent 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, Lebuh Farquhar, 10200 Pulau Pinang at least 48 hours before the time for holding the meeting or any adjournment thereof.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-appointment or re-election at the Ninth Annual General Meeting of the Company are:

   i. Mr. Teoh Boon Beng @ Teoh Eng Kuan, who has attended three (3) Board Meetings held during the year ended 30 April 2005
   ii. Mr. Lee See Jin, who has attended all the four (4) Board Meetings held during the year ended 30 April 2005
   iii. Mr. Lim Han Nge, who has attended all four (4) Board Meetings held during the year ended 30 April 2005

2. The Ninth 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, 16 September 2005 at 9.30 a.m.

3. Further details of the Directors standing for re-appointment or re-election at the Ninth Annual General Meeting and the family relationship with any director and / or substantial shareholder of the Company are set out in pages 6 and 7 and their shareholdings information is listed in page 70 of this Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Teoh Boon Beng @ Teoh Eng Kuan
Non-Independent Non-Executive Chairman

Lee See Jin
Managing Director

Lee Chong Choon
Executive Director

Teoh Teik Toe
Non-Independent 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
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
(Bursa Securities)

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
Non-Independent Non-Executive Chairman

Mr. Teoh Boon Beng @ Teoh Eng Kuan, a Malaysian, aged 72, a Justice of Peace, was appointed to the Board of Directors of NTHB as Non-Independent 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 the Kedah Chinese Chamber of Commerce and Industries since 2002. He also sits on the board of several private limited companies.

He is the uncle of Mr. Teoh Teik Toe, a Non-Independent Non-Executive Director of the Company, and father of Mr. Teoh Teik Lin, a substantial shareholder of the Company. He has no conflict of interest with the Group and has never been charged for any offence other than traffic offences, if any. He had attended three out of four Board of Directors' Meetings held in the financial year ended 30 April 2005.

LEE SEE JIN
Managing Director

Mr. Lee See Jin, a Malaysian, aged 66, 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 26 years. Over these years, he has gained in-depth experience and knowledge of the paper industry in Malaysia.

He is the father of Mr. Lee Chong Choon, an Executive Director of the Company. He has no conflict of interest with the Group and has never been charged for any offence other than traffic offences, if any. He attended all four Board of Directors' Meetings held in the financial year ended 30 April 2005.

LEE CHONG CHOON
Executive Director

Mr. Lee Chong Choon, a Malaysian, aged 40, 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 experience 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 also been instrumental in spearheading the progress of the Group and the development of the Group's products.

He is the son of Mr. Lee See Jin, the Managing Director of the Company. He has no conflict of interest with the Group and has never been charged for any offence other than traffic offences, if any. He had attended all four Board of Directors' Meetings held in the financial year ended 30 April 2005.

TEOH TEIK TOE
Non-Independent Non-Executive Director

Mr. Teoh Teik Toe, a Malaysian, aged 37, was appointed to the Board of Directors of NTHB on 9 July 2004. He is a Non-Independent Non-Executive Director of NTHB. He graduated from the University of Southern California, United States of America with a Bachelor of Science in Electrical Engineering (Honours) 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.

He is a nephew of Mr. Teoh Boon Beng @ Teoh Eng Kuan, the Non-Independent Non-Executive Chairman of the Company. He has no conflict of interest with the Group and has never been charged for any offence other than traffic offences, if any. He had attended three out of four Board of Directors' Meetings held in the financial year ended 30 April 2005.

LIM HAN NGE
Senior Independent Non-Executive Director

Mr. Lim Han Nge, a Malaysian, aged 50, was appointed as an Independent Non-Executive Director of NTHB on 29 January 2003 and was subsequently re-designated as Senior Independent Non-Executive Director on 26 June 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 practising 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 organizations in Kedah.

He has no family relationship with other Directors and / or substantial shareholders of the Company, nor any conflict of interest with the Group and has never been charged for any offence other than traffic offences, if any. He had attended all four Board of Directors' Meetings held in the financial year ended 30 April 2005.

TAN HOCK SOON
Independent Non-Executive Director

Mr. Tan Hock Soon, a Malaysian, aged 33, 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 with KPMG in January 1992 before leaving to join the Corporate Finance Division of CIMB in 1996. He left in 1999 to set up his own business. He is currently an Investment Representative licensed by the Securities Commission and an Executive Director of an Investment Advisory Company specializing in Corporate Finance licensed by the Securities Commission. He is also a Director of several other private limited companies.

He has no family relationship with other Directors and / or substantial shareholders of the Company, nor any conflict of interest with the Group and has never been charged for any offence other than traffic offences, if any. He had attended all four Board of Directors' Meetings held in the financial year ended 30 April 2005.

NTHB
NTPM HOLDINGS BERHAD
(384662-U)

MANUFACTURING

NTPM
Nibong Tebal Paper Mill Sdn Bhd (22772-A)
Manufacturing and trading of paper products such as toilet rolls, tissues, serviette and investment holding

NTPC
Nibong Tebal Personal Care Sdn Bhd (228234-U)
Manufacturing and trading of personal care products such as sanitary products

JI
Jia In Sdn Bhd (161672-A)
Printing of operating manuals, journals and packaging materials

TRADING AND SERVICES

NTE
Nibong Tebal Enterprise Sdn Bhd (95077-H)
Trading in paper, cotton, diapers, sanitary products and mineral water

NTL
Nibong Tebal Logistics Sdn Bhd (378479-H)
Carrying out integrated logistics services, warehousing and trading of fast moving consumer goods (FMCG)

NTIT
Nibong Tebal IT Sdn Bhd (500077-H)
(Formerly known as Pacific Beauty Sdn. Bhd.)
Dormant - In future to provide information technology solutions in area of software development, web application development, business application consulting, computer and networking services

NTT
Nibong Tebal Technology Sdn Bhd (202143-M)
(Formerly known as NTPM Paper Products Sdn. Bhd.)
Dormant - In future to carry out research and scientific work to discover, develop and perfect any process, appliance, apparatus, equipment, substance or invention on the production technology, biotechnology for all kinds of paper products and recycling of waste materials related to the paper industry

OVERSEAS TRADING

NTCL
NTPM (Thailand) Co., Ltd (0108454720303)
Importers and dealers in all kinds of paper products, tissue papers, toilet rolls, paper, towels and general merchandise

NSPL
NTPM (Singapore) Pte Ltd (198600763K)
(Formerly known as Nibong Tebal Paper Products Pte. Ltd.)
Importers and dealers in all kinds of paper products, tissue papers, toilet rolls, paper towels and general merchandise

Note: FMCG consist of sanitary napkins, baby diapers, adult diapers, cotton products, drinking water

The Board is pleased to recommend a final tax-exempt dividend of RM12 million, equivalent to approximately 19.23% for the financial year ended 30 April 2005.

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 financial year ended 30 April 2005.

Financial Performance

The results for this financial year are mixed. We have enjoyed another year of growth whereby sales have increased by 7.5%. Tissue products grew by 3.4% while sales of other personal care products more than doubled compared to the sales of the 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 increase in the cost of raw materials, higher distribution cost and aggressive advertising and promotion activities carried out during the financial year.

Trends and Prospects

Tissue paper products will remain as the core products and are expected to make greater inroads in the Indochina nations in the near future, now that the new paper machine with a capacity of 100 metric tons a day has commenced commercial production.

Sales of sanitary napkins grew by 87.8% over the past year. In view of the encouraging sales growth, the Group (NTHB and its subsidiaries) has invested in another production line. This new production line is capable of producing a wider range of sanitary napkins which will fulfill the demands of consumers in a wider market segment.

During the year, the Group had undergone a reorganisation exercise. This exercise was undertaken to organise the main activities of the Group into three categories to reflect the operating functions and to address the needs to cater for growth in the future. In the reorganisation exercise, the Company had acquired three companies; Nibong Tebal IT Sdn. Bhd., Nibong Tebal Technology Sdn. Bhd., and NTPM (Singapore) Pte. Ltd., and incorporated a wholly-owned subsidiary, NTPM (Thailand) Co., Ltd. in Thailand. The Group structure, together with the principal activities of each company, is set out in Page 8 of this report.

With the additional capacity in both the production of tissue paper products and sanitary napkins, we are optimistic that we will see continuing sales growth in the forthcoming year.

Dividends

The Board is pleased to recommend a final tax-exempt dividend of RM12 million, equivalent to approximately 19.23% for the financial year ended 30 April 2005.

The proposed final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting which will be held on 16 September 2005.

Acknowledgements

On behalf of the Board of Directors, I would like to express my gratitude 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 our customers in particular for their confidence in our products.

Last but not least, I would like to express my heartfelt thanks to my fellow colleagues on the Board for their advice and contributions during the past year.

Group revenue increased to RM216.4 million compared to RM201.4 million in the preceding year. The net profit after taxation for the current financial year is RM28.5 million. This is similar to the profit after taxation for the previous financial year.

The performance for the current year was affected mainly by the rising cost of raw materials and perpetrated with the increase in the price of fuel. The Group has managed to minimise the direct impact of higher cost of production through various programs which increased production efficiency and reduced cost.

Tissue Products

Sales of tissue products enjoyed a growth of 3.4%. Local sales accounted for 71.4% of total sales while the remaining 28.6% consisted of overseas sales. The capacity utilisation averaged close to 90% throughout the financial year and this had in fact impeded sales growth.

Testing on the new paper machine began in January 2005 and commercial production has commenced since April 2005. Much of the additional output of 100 tons a day output is targeted for the overseas market. The major target market consists of the ASEAN countries and the nations in the South Pacific. In order to penetrate the market in Indochina and Thailand in particular, the Company has incorporated a wholly-owned subsidiary, NTPM (Thailand) Co., Ltd. (NTCL) in Thailand. Sales offices have also been set-up in two major cities in the kingdom nation. Sales and distribution activities under NTCL in Thailand commenced in May 2005.

During the year, various ranges of tissue products were introduced in the local market. This is to cater to the changing needs of consumers who not only demand better quality products but also attractive packaging designs.

Sanitary Napkins

Since the commercial production of sanitary napkins by NTPC in September 2004, sales have continued to grow. The sales for this financial year almost doubled compared to the sales of the previous financial year. Due to the encouraging sales achievement, an investment for another production line is already in the pipeline. This new production line has the capability to produce sanitary napkins which can incorporate more features and thus meet a wider range of consumer needs. The new production line is expected to commence operations in September 2005.

Baby Diapers and Adult Diapers

In the unceasing effort to introduce more personal care products, the Company launched both baby diapers and adult diapers in October 2004. These products are currently commissioned from suppliers and distributed via the established distribution network of the Group.

Sales of tissue products enjoyed a growth of 3.4%. Local sales accounted for 71.4% of total sales while the remaining 28.6% consisted of overseas sales.

With an additional 100 metric ton a day tissue paper output, NTPM has now attained a "world-class tissue manufacturer" status...

Quality Management System

NTHB is committed to continuously improve the quality of its products. This endeavor is to command the loyalty of existing customers and to attract new potential customers. After having successfully implemented Total Quality Management programs in the financial year ended 30 April 2005, the Company has continued with the implementation of Balanced Scorecard which encompasses the operations from middle management to senior management.

Moody International Certification successfully completed the re-certification audit for ISO9001:2000 Quality Standards on 26 and 27 April 2004 for three companies; NTHB, NTPM and NTE, whilst NTPC was successfully certified for the MS ISO 9001:2000 in July 2005.

Future Challenges

With an additional 100 metric ton a day tissue paper output, NTPM has now attained a "world-class tissue manufacturer" status in terms of capacity and capability to produce high quality tissue products. Along with the additional capacity, the Company faces an interesting challenge ahead, which is to maximise the utilisation of the additional capacity in the shortest time possible. A number of target markets have been identified, notably Thailand and the Indochina nations and South Pacific including Australia and New Zealand.

NTPM will continue to create awareness on the usage and applications of tissue paper products through the various advertising media. This is also a social contribution towards the education of personal hygiene.

With the new production line for sanitary napkins and access to a wider market segment, it is expected that sales of sanitary napkins will continue to achieve an impressive growth.

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.

The Board of Directors of NTPM Holdings Berhad ("the Board") 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
i.	Appointment of a nomination committee.	• The appointment of new Board members will be a matter for the whole Board to deliberate upon. • The need to change the Board members has not arisen as current size and mix of experience have proven to be effective.
ii.	Appointment of a remuneration committee.	• 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.

Appointment of Directors and Re-election

In accordance with the Company's Articles of Association, Directors who are appointed either to fill a casual vacancy or as an addition to the existing Board shall hold office until the conclusion of the next annual general meeting and are subject to re-election by shareholders. The Articles also provide that one-third or the number nearest to one-third of the Board including the Managing Director is subject to re-election at regular intervals and shall retire from office once at least in each three years.

As an integral element of the purpose of appointing new Directors, new appointees are briefed on the Group's business, competitive and regulatory environment in which it operates and other changes during meetings with Executive Directors.

Directors are also advised on appointment of their legal and other obligations as a director of a listed company. They are also encouraged to attend training courses at the company's expense.

Meetings and Attendance

For the financial year ended 30 April 2005, the Board met four (4) times and details of the attendance are as follows:

Director	Total Attendance	Percentage (%)
Teoh Boon Beng @ Teoh Eng Kuan	3/4	75
Lee See Jin	4/4	100
Lee Chong Choon	4/4	100
Teoh Teik Toe	3/4	75
Lim Han Nge	4/4	100
Tan Hock Soon	4/4	100

Board Balance

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

Board Balance (Cont'd)

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 Director are set out on pages 6 and 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 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.

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 Program ("MAP") conducted by Bursatra Sdn Bhd (formerly known as Bursa Malaysia Training Sdn Bhd), and have fully complied with the collection of the required points by attending the Continuing Education Programmes ("CEP").

Even though the CEP requirements had been repealed on 1 January 2005, the Directors are still encouraged to attend the CEP and other trainings 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	60,000	1,397,089	28,808	–	1,485,897
Non-Executive Directors	120,000	–	–	7,500	127,500

	Number of Directors	
Range of Remuneration	Executive	Non-Executive
Less than RM50,000	–	4
RM500,001 – RM550,000	1	–
RM950,001 – RM1,000,000	1	–

Directors' Remuneration (Cont'd)

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 Bursa Securities.

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 Annual General Meeting ("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 19 of the annual report provides an overview of the state on internal controls within the Group.

Relationship with the Auditors

The Audit Committee ("AC") maintains an appropriate relationship with the Group's auditors. The roles, authority and responsibilities of the AC are presented in the report set out on pages 16 to 18 of this annual report.

During the financial year ended 30 April 2005, the Independent Non-Executive Directors had held a dialogue session with the external auditors on 17 September 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.

This statement is made in accordance with a resolution of the Board of Directors dated 5 August 2005.

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 RM71, 291 were paid to the Group's external auditors as professional fees paid to them as tax agent.

VARIATION IN RESULTS

There were no material variations between the audited results and the un-audited results for the financial year ended 30 April 2005.

PROFIT ESTIMATES, FORECAST AND PROJECTION

The Company was not subjected to any profit estimate, forecast or projection for the financial year ended 30 April 2005.

PROFIT GUARANTEEE

During the financial year, there was no profit guarantee given by the Company.

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest during the financial year.

AUDIT COMMITTEE

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.
- To review 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.

Authority

The Committee is authorised by the Board to investigate any activity within its term 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 authorised 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 2005 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.

Activities of the Audit Committee during the Financial Year 2005

During the financial year 2005, 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 audited annual 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 of 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. The approved minutes of Audit Committee meetings are forwarded to Board members for information.

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 is 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 function, responsibility, authority of the IAD and guidelines for the interactions between the IAD, the Audit Committee and the management of the Group was formalized in an Internal Audit Charter. The charter had been presented to the Audit Committee and approved in the Fifth Audit Committee Meeting on 19 March 2004.

The major role of IAD is to assist the Audit Committee in discharging its duties and responsibilities and the 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.

During the financial year, IAD had regularly conducted audits in the areas of credit control and finished goods inventory. IAD had also verified that the recommendations in the management letter from the external auditors were properly implemented by the concerned parties.

IAD conducted risk-based audits on the principal risks which had been identified during the enterprise risk management (ERM) assessment through verifying the activities of risk management units (RMU). Each RMU is responsible to manage and control risks which had been identified in their respective areas. The audit findings were reviewed with members of the Risk Management Committee (RMC) who are responsible for the performance of the RMU and appropriate actions were taken to address the weaknesses reported in the audit findings.

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, organisational, 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 recognises 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 organisation 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.

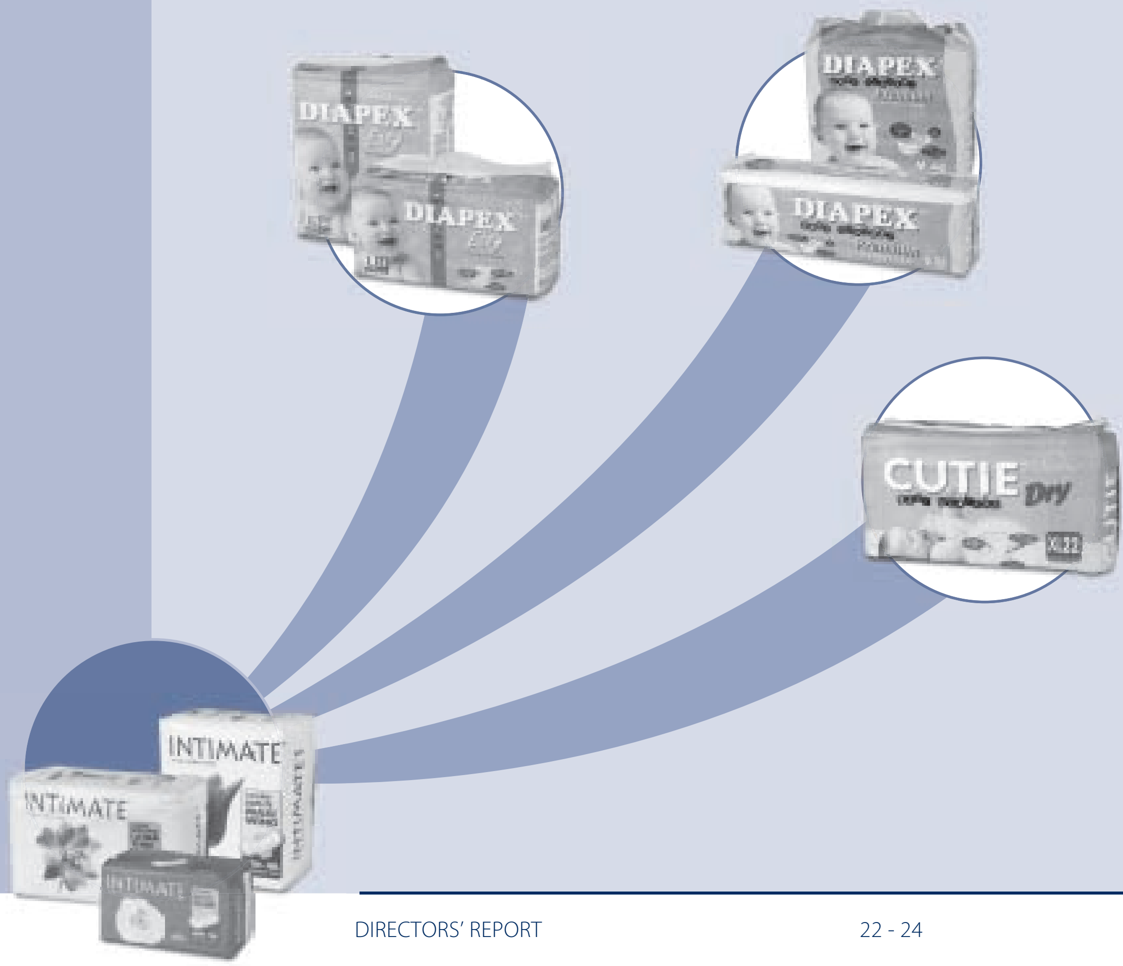
The Board continues to take measures to strengthen the internal control environment.

The statement is made in accordance with the resolution of the Board of Directors dated 5 August 2005.

STATEMENT OF THE DIRECTOR'S 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 2005, the Group has used the appropriate accounting policies which have been 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.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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 2005.

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	28,500,785	12,187,765
Minority interests	(55,199)	–
Net profit for the year	28,445,586	12,187,765

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 change in annual depreciation rate for computer as disclosed in Note 2(f) to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 30 April 2004 was as follows:

	RM
In respect of the financial year ended 30 April 2004 as reported in the directors' report of that year:	
Final tax exempt dividend of 19.23% paid on 15 October 2004	12,000,000

At the forthcoming Annual General Meeting, a final tax exempt dividend of RM12,000,000 equivalent to approximately 19.23% in respect of the financial year ended 30 April 2005, on 624,000,000 ordinary shares of RM0.10 each (approximately 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 2006.

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 Toe
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 6 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 30 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 2004	Bought	Sold	30 April 2005
The Company				
Direct				
Lee See Jin	182,534,194	–	–	182,534,194
Lee Chong Choon	44,546,765	9,353,600	–	53,900,365
Teoh Boon Beng @ Teoh Eng Kuan	10,409,500	–	–	10,409,500
Teoh Teik Toe	–	4,128,000	–	4,128,000
Indirect				
Lee See Jin *	14,094,325	406,000	–	14,500,325
Teoh Boon Beng @ Teoh Eng Kuan **	24,151,068	1,380,000	–	25,531,068

* 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.

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 and 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.

OTHER STATUTORY INFORMATION (CONT'D)

(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.

(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.

OTHER SIGNIFICANT EVENTS

Other significant events are as disclosed in Note 31 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: 5 August 2005

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 27 to 66 are drawn up in accordance with applicable MASB 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 2005 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: 5 August 2005

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 27 to 66 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 5 August 2005 :

ONG SWEE CHYE

Before me,

COMMISSIONER FOR OATHS

REPORT OF THE AUDITORS TO THE MEMBERS OF
NTPM HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

We have audited the financial statements set out on pages 27 to 66. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 MASB 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 2005 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.

We have considered the financial statements and the auditors' report thereon of the subsidiaries 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

LIM ENG HUAT
No. 2403/04/07(J)
Partner

Penang, Malaysia
Date: 5 August 2005

	Note	GROUP 2005 RM	GROUP 2004 RM	COMPANY 2005 RM	COMPANY 2004 RM
Revenue	3	**216,462,754**	201,353,617	**17,717,393**	6,500,000
Other operating income	4	**1,745,540**	2,589,534	**–**	–
Advertising and promotional expenses		**(5,590,751)**	(3,945,969)	**–**	–
Changes in inventories of finished goods and work-in-progress		**1,023,444**	3,069,134	**–**	–
Depreciation		**(14,037,144)**	(13,227,362)	**(13,777)**	–
Purchase of trading inventories		**(5,736,820)**	(6,397,277)	**–**	–
Raw materials and consumables used		**(83,412,827)**	(75,368,241)	**–**	–
Repairs and maintenance		**(6,270,293)**	(5,805,878)	**(299,045)**	–
Staff costs	5	**(37,646,109)**	(33,715,819)	**(4,408,105)**	(40,000)
Sundry wages		**(1,271,116)**	(1,287,701)	**(5,281)**	–
Transportation and freight charges		**(13,774,799)**	(10,538,977)	**–**	–
Utilities costs		**(13,581,244)**	(13,182,958)	**(45,048)**	–
Other operating expenses	7	**(8,838,834)**	(7,028,466)	**(645,648)**	(309,408)
Profit from operations		**29,071,801**	36,513,637	**12,300,489**	6,150,592
Finance costs, net	8	**(2,462,723)**	(1,461,517)	**(885)**	–
Profit before taxation		**26,609,078**	35,052,120	**12,299,604**	6,150,592
Taxation	9	**1,891,707**	(6,468,748)	**(111,839)**	(140,000)
Profit after taxation		**28,500,785**	28,583,372	**12,187,765**	6,010,592
Minority interests		**(55,199)**	(69,288)	**–**	–
Net profit for the year		**28,445,586**	28,514,084	**12,187,765**	6,010,592
Earnings per share (sen)	10	**4.6**	4.6		
Net dividend per share (sen)	11	**1.92**	0.96	**1.92**	0.96

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

BALANCE SHEETS
AS AT 30 APRIL 2005

	Note	GROUP 2005 RM	GROUP 2004 RM	COMPANY 2005 RM	COMPANY 2004 RM
NON-CURRENT ASSETS					
Property, plant and equipment	12	**172,639,976**	141,325,242	**579,985**	–
Investments in subsidiaries	13	**–**	–	**96,002,087**	88,889,227
Other investments	14	**62,817**	84,002	**–**	–
		172,702,793	141,409,244	**96,582,072**	88,889,227
CURRENT ASSETS					
Inventories	15	**25,312,233**	22,635,205	**–**	–
Trade receivables	16	**37,708,207**	34,287,562	**5,022,949**	–
Other receivables	17	**7,013,147**	2,931,800	**235,691**	500,819
Cash and bank balances	18	**7,955,347**	8,090,794	**36,298**	15,995
		77,988,934	67,945,361	**5,294,938**	516,814
CURRENT LIABILITIES					
Retirement benefit obligations	19	**27,613**	68,324	**–**	–
Borrowings	20	**60,937,577**	32,103,946	**–**	–
Trade payables	21	**11,963,439**	13,731,133	**–**	–
Other payables	22	**14,292,861**	12,990,281	**14,935,017**	2,651,813
Tax payable		**366**	686,034	**–**	–
		87,221,856	59,579,718	**14,935,017**	2,651,813
NET CURRENT (LIABILITIES)/ ASSETS		**(9,232,922)**	8,365,643	**(9,640,079)**	(2,134,999)
		163,469,871	149,774,887	**86,941,993**	86,754,228
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	**77,398,573**	60,952,987	**(430,550)**	(618,315)
Shareholders' equity		**147,661,805**	131,216,219	**86,941,993**	86,754,228
Minority interests		**738,126**	682,927	**–**	–
		148,399,931	131,899,146	**86,941,993**	86,754,228
Borrowings	20	**5,359,387**	4,982,140	**–**	–
Deferred tax liabilities	26	**9,061,742**	12,332,067	**–**	–
Retirement benefit obligations	19	**529,690**	402,991	**–**	–
Reserve on consolidation	27	**119,121**	158,543	**–**	–
		163,469,871	149,774,887	**86,941,993**	86,754,228

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

GROUP	Note	Share Capital RM	Non-Distributable Revaluation Reserves RM	Distributable Retained Profits RM	Total RM
At 1 May 2003		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
At 1 May 2004		62,400,000	7,863,232	60,952,987	131,216,219
Net profit for the year		–	–	28,445,586	28,445,586
Dividends	11	–	–	(12,000,000)	(12,000,000)
At 30 April 2005		**62,400,000**	**7,863,232**	**77,398,573**	**147,661,805**

COMPANY	Note	Share Capital RM	Non-Distributable Revaluation Reserve RM	Accumulated Losses RM	Total RM
At 1 May 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
Net profit for the year		–	–	12,187,765	12,187,765
Dividends	11	–	–	(12,000,000)	(12,000,000)
At 30 April 2005		**62,400,000**	**24,972,543**	**(430,550)**	**86,941,993**

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

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2005

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**26,609,078**	35,052,120	**12,299,604**	6,150,592
Adjustments for:				
Amortisation of goodwill	**1,445**	–	**–**	–
Amortisation of reserve on consolidation	**(26,424)**	(26,424)	**–**	–
Bad debts written off	**165,846**	168,827	**–**	–
Depreciation	**14,037,144**	13,227,362	**13,777**	–
Dividend income	**–**	–	**(12,694,444)**	(6,500,000)
Gain on disposal of plant and equipment	**(28,999)**	(203,822)	**–**	–
Impairment loss on investment in golf club membership	**21,185**	–	**–**	–
Interest expense	**2,123,301**	1,187,361	**–**	–
Interest income	**(4,202)**	(7,536)	**–**	–
Inventories written down to net realisable value	**7,929**	73,474	**–**	–
Membership in golf club written off	**–**	20,000	**–**	–
Plant and equipment written off	**142,349**	593	**–**	–
Provision for doubtful debts	**386,994**	281,197	**–**	–
Impairment of plant and equipment	**12,519**	–	**–**	–
Provision for retirement benefits	**154,312**	104,167	**–**	–
Unrealised foreign exchange gain	**(102,737)**	(53,312)	**–**	–
Operating profit/(loss) before working capital changes	**43,499,740**	49,824,007	**(381,063)**	(349,408)
Increase in receivables	**(4,702,666)**	(1,770,053)	**(5,032,284)**	–
Increase in inventories	**(2,684,957)**	(5,180,653)	**–**	–
(Decrease)/increase in payables	**(483,473)**	3,388,293	**1,101,760**	(98,408)
Decrease in retirement benefits obligations	**(68,324)**	(17,317)	**–**	–
Cash generated from/(used in) operations	**35,560,320**	46,244,277	**(4,311,587)**	(447,816)
Tax paid	**(5,305,803)**	(5,787,075)	**(194,444)**	–
Interest paid	**(2,123,301)**	(1,187,361)	**–**	–
Net cash generated from/(used in) operating activities	**28,131,216**	39,269,841	**(4,506,031)**	(447,816)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note A)	**(45,514,747)**	(37,859,744)	**(593,762)**	–
Interest received	**4,202**	7,536	**–**	–
Acquisition of subsidiaries (Note 13)	**(3,996)**	–	**(4,000)**	–
Purchase of additional shares in subsidiaries	**–**	–	**(2,460,450)**	–
Purchase of a subsidiary from a subsidiary	**–**	–	**(4,648,410)**	–
Proceeds from disposal of property, plant and equipment (Note B)	**37,000**	192,693	**–**	–
Dividend received	**–**	–	**12,694,444**	6,000,000
Net change in related companies balances	**–**	–	**11,538,512**	447,816
Net cash (used in)/generated from investing activities	**(45,477,541)**	(37,659,515)	**16,526,334**	6,447,816

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**(12,000,000)**	(6,000,000)	**(12,000,000)**	(6,000,000)
Net change in bank borrowings	**26,115,000**	710,821	**–**	–
Repayment of hire-purchase balances	**(77,041)**	(415,129)	**–**	–
Repayment of term loans	**(4,597,661)**	(1,622,607)	**–**	–
Drawdown of term loans	**7,770,580**	7,229,420	**–**	–
Net cash generated from/(used in) financing activities	**17,210,878**	(97,495)	**(12,000,000)**	(6,000,000)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	**(135,447)**	1,512,831	**20,303**	–
EFFECTS OF EXCHANGE RATE CHANGES	**(29,834)**	–	**–**	–
CASH AND CASH EQUIVALENTS AS AT 1 MAY	**8,120,628**	6,607,797	**15,995**	15,995
CASH AND CASH EQUIVALENTS AS AT 30 APRIL (Note C)	**7,955,347**	8,120,628	**36,298**	15,995

A. Purchase of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM45,545,747 (2004: RM38,392,669) and RM593,762 (2004: Nil) respectively by the following means:

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Cash payments	**45,514,747**	37,859,744	**593,762**	–
Hire-purchase	**–**	469,925	**–**	–
Trade in	**31,000**	63,000	**–**	–
	45,545,747	38,392,669	**593,762**	–

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 RM37,000 (2004: RM220,693) which was settled by the following means:

	2005	2004
	RM	RM
Cash proceeds	**37,000**	192,693
Staff loans	**–**	28,000
	37,000	220,693

C. Cash and cash equivalents comprise

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Cash on hand and at banks	**7,955,347**	8,090,794	**36,298**	15,995
Effects of exchange rate changes in cash and cash equivalents	**–**	29,834	**–**	–
	7,955,347	8,120,628	**36,298**	15,995

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

1. CORPORATE INFORMATION

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.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at 886, Jalan Bandar Baru, Sungai Kecil, 14300 Nibong Tebal, Seberang Perai Selatan, Pulau Pinang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 5 August 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for the revaluation of certain leasehold properties and investments in subsidiaries.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

(b) Basis of Consolidation

Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using merger method of accounting except for certain subsidiaries, i.e. Nibong Tebal IT Sdn. Bhd. (formerly known as Pacific Beauty Sdn. Bhd.), Nibong Tebal Technology (formerly known as NTPM Paper Products Sdn. Bhd.), Nibong Tebal Logistics Sdn. Bhd., NTPM (Thailand) Co. Ltd. and Jia In Sdn. Bhd. which are consolidated using acquisition method of accounting.

Acquisitions of subsidiaries, which meet the criteria for merger, are accounted for using merger accounting principles. When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued and the difference between the carrying value of the investment and the nominal value of shares acquired is treated as merger reserve or merger deficit. The results of the companies being merged are included as if the merger had been effected throughout the current and previous financial years.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed off during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of the subsidiaries are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation.

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (cont'd)

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.

(c) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is stated at cost less accumulated amortisation and impairment losses.

Goodwill is amortised on a straight-line basis over its estimated useful life of 10 years.

(d) Reserve on Consolidation

Reserve on consolidation represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition over the cost of acquisition.

Reserve on consolidation is amortised on a straight-line basis over its estimated useful life of 10 years.

(e) Investments in Subsidiaries

Investments in subsidiaries are stated at cost or valuation less impairment losses.

Investments in subsidiaries will be revalued at regular intervals of five years. Where market conditions indicate that the carrying values of the revalued investments materially differ from the underlying net tangible asset values of the subsidiaries, the directors will consider revaluation in those intervening years.

Any increase arising from revaluation is credited to equity as a revaluation surplus; any decrease is first offset against an increase on earlier valuation in respect of the same investment and is thereafter charged to the income statement. However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease of the same investment previously recognised as an expense. Upon disposal of revalued subsidiaries, the amounts in revaluation reserve relating to those subsidiaries are transferred directly to retained profits.

(f) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses.

Freehold land is stated at valuation less impairment losses. Revaluations are made at least once in every five years based on a valuation by an independent valuer on an open market basis. Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation decrease is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised as an expense. Upon disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

Freehold land and capital work-in-progress are not depreciated. Leasehold lands are depreciated over the period of the lease term, i.e. 46 years - 60 years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, Plant and Equipment and Depreciation (cont'd)

Depreciation of other property, plant and equipment is provided on a straight-line basis to write off the cost or valuation of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 5%
Plant and machinery and electrical installations	10%
Motor vehicles	20%
Furniture, fittings, renovation, air conditioners and office equipment	5% - 10%
Computer	33.33%

With effect from the current financial year, certain subsidiaries changed the annual depreciation rate for computer from 10% to 33.33% so as to better reflect their estimated useful lives. The effect on the financial statements of this change in accounting estimate is an increase in depreciation charge for the year for the Group by RM1,403,154 and a decrease in the Group's current year profit by RM1,403,154.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overheads. The cost of trading goods comprises cost of purchase of inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and estimated costs necessary to make the sale.

(h) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(i) Hire-Purchase and Lease

A lease is recognised as a finance lease if it transfers substantially to the Company all the risks and rewards incident to ownership. All other leases are classified as operating leases.

i. Finance leases

Assets acquired by way of hire-purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2(f).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Hire-Purchase and Lease (cont'd)

ii. Operating leases
Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

(j) Provisions for Liabilities

Provisions for liabilities are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(k) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or reserve on consolidation.

(l) Employee Benefits

i. Short term benefits
Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined contribution plans
As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). The Group's foreign subsidiary makes contributions to its country's statutory pension scheme. Such contributions are recognised as an expense in the income statement as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Employee Benefits (cont'd)

iii. Defined benefit plans

A subsidiary operates an unfunded defined benefit plan for its eligible employees, as provided under the agreement between the subsidiary and the Paper And Paper Products Manufacturing Employees Union.

The Group's obligations under the plan, calculated using the Projected Unit Credit Method, are determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their services in the current and prior years is estimated. That benefit is discounted in order to determine its present value. Actuarial gains and losses are recognised as income or expense over the expected average remaining working lives of the participating employees when the cumulative unrecognised actuarial gains or losses for the plan exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any unrecognised actuarial losses and past service cost, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

(m) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

i. Sale of goods

Revenue relating to sale of goods is recognised net of discounts and returns upon transfers of risks and rewards.

ii. Dividend income

Dividend income is recognised when the right to receive payment is established.

iii. Interest income

Interest is recognised on a time proportionate basis that reflects the effective yield on the assets.

iv. Rental income

Rental income is recognised on an accrual basis.

v. Revenue from services

Revenue from services rendered is recognised net of discounts as and when the services are performed.

(n) Foreign Currencies

i. Foreign currency transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the transaction dates. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange differences are taken to the income statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Foreign Currencies (cont'd)

ii. Foreign operations
Where the operations of a foreign company are integral to the operations of the Company, the translation principles described above are applied as if the transactions of the foreign operations have been those of the Company.

The principal exchange rates used for each respective unit of foreign currency ruling at balance sheet date are as follows:

	2005 RM	2004 RM
United States Dollar (USD)	**3.8000**	3.7950
Singapore Dollar (SGD)	**2.3135**	2.2288
Japanese Yen (JPY)	**0.0360**	0.0344
Euro Dollar (EURO)	**4.9015**	4.5400
Thai Baht (THB)	**0.0959**	0.0949

(o) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

(p) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

i. Other Non-Current Investments
Non-current investments other than investments in subsidiaries are stated at cost less impairment losses. On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

ii. Receivables
Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

iii. Payables
Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial Instruments (cont'd)

iv. Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use. The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of acquiring another qualifying asset. For borrowings made specifically for the purpose of acquiring a qualifying asset, the amount of borrowing cost eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawn down from that borrowing facility.

All other borrowing costs are recognised as an expense in the income statement in the year in which they are incurred.

v. Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

vi. Derivative Financial Instruments

Derivative financial instruments are not recognised in the financial statements on inception.

Forward foreign exchange contracts

The underlying foreign currency assets or liabilities are translated at their respective hedged exchange rate and all exchange gains or losses are recognised as income or expense in the income statement in the same period as the exchange differences on the underlying hedged items. Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions.

3. REVENUE

Revenue consists of the following:

	GROUP		COMPANY	
	2005	**2004**	**2005**	**2004**
	RM	**RM**	**RM**	**RM**
Sales of paper products such as toilet rolls, tissues, serviette; cotton products; diapers, sanitary products and mineral water	**216,457,060**	201,346,908	**–**	–
Printing of operating manuals, journals and packaging materials	**5,694**	6,709	**–**	–
Management fee	**–**	–	**5,022,949**	–
Dividend income from a subsidiary	**–**	–	**12,694,444**	6,500,000
	216,462,754	201,353,617	**17,717,393**	6,500,000

4. OTHER OPERATING INCOME

Included in other operating income are:

	GROUP	
	2005	2004
	RM	RM
Amortisation of reserve on consolidation	**26,424**	26,424
Bad debts recovered	**423,814**	748,150
Gain on disposal of plant and equipment	**28,999**	203,822
Realised foreign exchange gain	**907,741**	1,183,457
Rental income	**31,342**	117,714
Unrealised foreign exchange gain	**102,737**	53,312

5. STAFF COSTS

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Wages and salaries	**18,757,457**	16,180,024	**1,364,659**	–
Directors' remuneration (Note 6)	**2,544,939**	2,442,737	**2,055,663**	40,000
Social security costs	**361,313**	323,692	**16,671**	–
Short term accumulating compensated absences	**1,037,943**	439,864	**217,804**	–
Pension costs - defined contribution plans	**3,067,198**	2,811,708	**192,550**	–
Pension costs - defined benefit plan (Note 19)	**154,312**	104,167	**–**	–
Other staff related expenses	**11,722,947**	11,413,627	**560,758**	–
	37,646,109	33,715,819	**4,408,105**	40,000

The number of employees in the Group and the Company at the end of the financial year were 1,498 (2004: 1,393) and 46 (2004: Nil) respectively.

6. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Directors of the Company				
Executive:				
Salaries and other emoluments	**942,340**	890,400	**942,340**	–
Fee	**60,000**	40,000	**60,000**	40,000
Bonus				
- current year provision	**349,757**	430,667	**349,757**	–
- under provision in prior year	**104,992**	26,134	**–**	–
Benefits-in-kind	**28,808**	27,300	**2,333**	–
	1,485,897	1,414,501	**1,354,430**	40,000
Non-Executive:				
Fee	**120,000**	80,000	**120,000**	80,000
Allowance	**7,500**	7,500	**7,500**	7,500
	127,500	87,500	**127,500**	87,500

6. DIRECTORS' REMUNERATION (CONT'D)

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Other Directors				
Executive:				
Salaries and other emoluments	**840,744**	812,158	**504,056**	–
Fees	**42,768**	42,138	**–**	–
Bonus				
- current year provision	**199,510**	198,240	**199,510**	–
- under provision in prior year	**4,828**	3,000	**–**	–
Benefits-in-kind	**12,800**	12,800	**–**	–
	1,100,650	1,068,336	**703,566**	–
Total	**2,714,047**	2,570,337	**2,185,496**	127,500
Analysis:				
Total for Executive Directors' remuneration (Note 5)	**2,544,939**	2,442,737	**2,055,663**	40,000
Total for Non-Executive Directors' remuneration (Note 7)	**127,500**	87,500	**127,500**	87,500
Grand total excluding benefits-in-kind	**2,672,439**	2,530,237	**2,183,163**	127,500
Benefits-in-kind	**41,608**	40,100	**2,333**	–
Grand total including benefits-in-kind	**2,714,047**	2,570,337	**2,185,496**	127,500

The number of directors of the Company whose total remuneration during the year fall within the following bands is analysed as follows:

	Number of Directors	
	2005	2004
Executive directors:		
RM400,001 - RM450,000	**–**	1
RM500,001 - RM550,000	**1**	–
RM950,001 - RM1,000,000	**1**	1
Non-Executive directors:		
Below RM50,000	**4**	4

7. OTHER OPERATING EXPENSES

Included in other operating expenses are:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Auditors' remuneration				
- statutory audit				
- current year	123,199	123,440	25,200	25,200
- under provision in prior years	4,937	26,363	–	14,700
- other services	71,291	21,252	40,485	2,035
Amortisation of goodwill	1,445	–	–	–
Bad debts written off	165,846	168,827	–	–
Non-executive directors' remuneration (Note 6)	127,500	87,500	127,500	87,500
Impairment of plant and equipment	12,519	–	–	–
Impairment loss on investment in golf club membership	21,185	–	–	–
Inventories written down to net realisable value	7,929	73,474	–	–
Membership in golf club written off	–	20,000	–	–
Plant and equipment written off	142,349	593	–	–
Provision for doubtful debts	386,994	281,197	–	–
Rental expense	680,887	611,349	60,000	–

8. FINANCE COSTS, NET

Included in finance costs, net are:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Interest expense	2,123,301	1,187,361	–	–
Interest income from deposits	(4,202)	(7,536)	–	–

9. TAXATION

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Income tax:				
Malaysian income tax	**1,399,150**	6,671,000	**111,839**	140,000
Foreign tax	**–**	60,880	**–**	–
	1,399,150	6,731,880	**111,839**	140,000
Overprovided in prior years:				
Malaysian income tax	**(19,237)**	(613,315)	**–**	–
Foreign tax	**–**	(26,818)	**–**	–
	1,379,913	6,091,747	**111,839**	140,000
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	**(3,541,242)**	414,626	**–**	–
Under/(over) provided in prior years	**269,622**	(37,625)	**–**	–
	(3,271,620)	377,001	**–**	–
	(1,891,707)	6,468,748	**111,839**	140,000

Income tax is calculated at the statutory tax rate of 28% (2004: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2005 RM	2004 RM
GROUP		
Profit before taxation	**26,609,078**	35,052,120
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	**7,450,542**	9,814,594
Tax savings of 8% for first RM500,000 (2004: RM500,000) of chargeable income	**(51,037)**	(51,056)
Effect of different tax rates in other countries	**(1,578)**	(43,471)
Effect of expenses not deductible for tax purposes	**140,110**	196,725
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(58,273)**	–
Income not subject to tax	**(208,826)**	(348,279)
Deferred tax assets not recognised during the year	**15,468**	57,786
Reinvestment allowance claimed during the year	**(9,428,498)**	(2,479,793)
Overprovision of income tax in prior year	**(19,237)**	(640,133)
Under/(over) provision of deferred tax in prior years	**269,622**	(37,625)
Tax expense for the year	**(1,891,707)**	6,468,748

9. TAXATION (CONT'D)

	2005 RM	2004 RM
COMPANY		
Profit before taxation	**12,299,604**	6,150,592
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	**3,443,889**	1,722,166
Effect of expenses not deductible for tax purposes	**26,510**	97,834
Deferred tax assets not recognised during the year	**1,440**	–
Income not subject to tax	**(3,360,000)**	(1,680,000)
Tax expense for the year	**111,839**	140,000

10. EARNINGS PER SHARE

Basic

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2005	2004
Net profit for the year (RM)	**28,445,586**	28,514,084
Number of ordinary shares in issue	**624,000,000**	624,000,000
Basic earnings per share (sen)	**4.6**	4.6

11. DIVIDENDS

	Amount		Net dividend per share	
	2005 RM	2004 RM	2005 Sen	2004 Sen
In respect of the financial year ended30 April 2003:				
Final tax exempt dividend of 9.62% paid on 17 October 2003	–	6,000,000	–	0.96
In respect of the financial year ended 30 April 2004:				
Final tax exempt dividend of 19.23%, paid on 15 October 2004	**12,000,000**	–	**1.92**	-
	12,000,000	6,000,000	**1.92**	0.96

At the forthcoming Annual General Meeting, a final tax exempt dividend of RM12,000,000 equivalent to approximately 19.23% in respect of the financial year ended 30 April 2005, on 624,000,000 ordinary shares of RM0.10 each (approximately 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 2006.

12. PROPERTY, PLANT AND EQUIPMENT

GROUP	* Land and buildings RM	Capital work-in-progress RM	Plant and machinery and electrical installations RM	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, and office equipment RM	Total RM
Cost/Valuation						
At 1 May 2004	57,245,872	22,450,704	144,193,478	13,329,302	6,228,518	243,447,874
Additions	–	41,345,070	679,312	2,878,703	642,662	45,545,747
Disposals/Write offs	–	(142,349)	(3,049,989)	(111,018)	(33,068)	(3,336,424)
Reclassification	1,519,134	(55,547,401)	54,028,267	–	–	–
At 30 April 2005	**58,765,006**	**8,106,024**	**195,851,068**	**16,096,987**	**6,838,112**	**285,657,197**
Representing:						
At cost	**19,471,006**	**8,106,024**	**195,851,068**	**16,096,987**	**6,838,112**	**246,363,197**
At valuation	**39,294,000**	**–**	**–**	**–**	**–**	**39,294,000**
	58,765,006	**8,106,024**	**195,851,068**	**16,096,987**	**6,838,112**	**285,657,197**
Accumulated Depreciation and Impairment Losses						
At 1 May 2004						
Accumulated depreciation	1,469,189	–	87,777,207	10,003,935	2,872,301	102,122,632
Accumulated impaiment losses	–	–	–	–	–	–
	1,469,189	–	87,777,207	10,003,935	2,872,301	102,122,632
Depreciation charge for the year	686,126	–	10,002,360	1,388,467	1,960,191	14,037,144
Disposals/Write offs	–	–	(3,049,989)	(72,017)	(33,068)	(3,155,074)
Impairment losses for the year	–	–	12,519	–	–	12,519
At 30 April 2005	**2,155,315**	**–**	**94,742,097**	**11,320,385**	**4,799,424**	**113,017,221**
Representing:						
At cost	**333,695**	**–**	**94,742,097**	**11,320,385**	**4,799,424**	**111,195,601**
At valuation	**1,821,620**	**–**	**–**	**–**	**–**	**1,821,620**
	2,155,315	**–**	**94,742,097**	**11,320,385**	**4,799,424**	**113,017,221**
Analysed as:						
Accumulated Depreciation	2,155,315	–	94,729,578	11,320,385	4,799,424	113,004,702
Accumulated Impaiment losses	–	–	12,519	–	–	12,519
	2,155,315	**–**	**94,742,097**	**11,320,385**	**4,799,424**	**113,017,221**

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP	* Land and buildings RM	Capital work-in-progress RM	Plant and machinery and electrical installations RM	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, and office equipment RM	Total RM
Net Book Value						
At 30 April 2005						
At cost	**19,137,311**	**8,106,024**	**101,108,971**	**4,776,602**	**2,038,688**	**135,167,596**
At valuation	**37,472,380**	**–**	**–**	**–**	**–**	**37,472,380**
	56,609,691	**8,106,024**	**101,108,971**	**4,776,602**	**2,038,688**	**172,639,976**
At 30 April 2004						
At cost	17,815,028	22,450,704	56,416,271	3,325,367	3,356,217	103,363,587
At valuation	37,961,655	–	–	–	–	37,961,655
	55,776,683	22,450,704	56,416,271	3,325,367	3,356,217	141,325,242
Details at 1 May 2003						
Cost	7,709,665	6,785,258	134,090,054	12,577,139	5,443,540	166,605,656
Valuation	39,294,000	–	–	–	–	39,294,000
Accumulated depreciation	840,743	–	76,777,418	9,643,751	2,397,345	89,659,257
Depreciation charge for 2004	630,582	–	11,087,670	1,024,297	484,813	13,227,362

* LAND AND BUILDINGS

GROUP	Freehold land RM	Long term leasehold land RM	Short term leasehold land RM	Buildings RM	Total RM
Cost/Valuation					
At 1 May 2004	34,368,078	616,000	350,000	21,911,794	57,245,872
Additions	–	–	–	1,519,134	1,519,134
At 30 April 2005	**34,368,078**	**616,000**	**350,000**	**23,430,928**	**58,765,006**
Representing:					
At cost	**9,370,078**	**–**	**–**	**10,100,928**	**19,471,006**
At valuation	**24,998,000**	**616,000**	**350,000**	**13,330,000**	**39,294,000**
	34,368,078	**616,000**	**350,000**	**23,430,928**	**58,765,006**
Accumulated Depreciation					
At 1 May 2004	–	27,600	19,637	1,421,952	1,469,189
Depreciation charge for the year	–	10,621	8,400	667,105	686,126
At 30 April 2005	**–**	**38,221**	**28,037**	**2,089,057**	**2,155,315**
Representing:					
At cost	**–**	**–**	**–**	**333,695**	**333,695**
At valuation	**–**	**38,221**	**28,037**	**1,755,362**	**1,821,620**
	–	**38,221**	**28,037**	**2,089,057**	**2,155,315**

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* LAND AND BUILDINGS

	Freehold land RM	Long term leasehold land RM	Short term leasehold land RM	Buildings RM	Total RM
Net Book Value					
At 30 April 2005					
At cost	**9,370,078**	**–**	**–**	**9,767,233**	**19,137,311**
At valuation	**24,998,000**	**577,779**	**321,963**	**11,574,638**	**37,472,380**
	34,368,078	**577,779**	**321,963**	**21,341,871**	**56,609,691**
At 30 April 2004					
At cost	9,370,078	–	–	8,444,950	17,815,028
At valuation	24,998,000	588,400	330,363	12,044,892	37,961,655
	34,368,078	588,400	330,363	20,489,842	55,776,683
Details at 1 May 2003					
Cost	4,570,579	–	–	3,139,086	7,709,665
Valuation	24,998,000	616,000	350,000	13,330,000	39,294,000
Accumulated depreciation	–	16,979	12,028	811,736	840,743
Depreciation charge for 2004	–	10,621	7,609	612,352	630,582

COMPANY	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, and office equipment RM	Total RM
Cost			
At 1 May 2004	–	–	–
Additions	568,041	25,721	593,762
At 30 April 2005	**568,041**	**25,721**	**593,762**
Accumulated Depreciation			
At 1 May 2004	–	–	–
Depreciation charge for the year	9,467	4,310	13,777
At 30 April 2005	**9,467**	**4,310**	**13,777**
Net Book Value			
At 30 April 2005	**558,574**	**21,411**	**579,985**
At 30 April 2004	–	–	–
Depreciation charge for 2004	–	–	–

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) The latest valuation of land and buildings of the Group were performed in September 2001 by the following professional valuers:

Name of Valuer	Qualification	Name of Company
Teoh Poh Huat	FRICS, MISM, MBA (UK), Chartered Surveyor/ Registered Valuer	Henry Butcher, Lim & Long (N) Sdn. Bhd.*
Lim Chow Wah	MISM, Registered Valuer	Henry Butcher, Lim & Long (Malacca) Sdn. Bhd. *

* A company incorporated in Malaysia.

Details of the latest independent professional valuation of properties owned by the Group at 30 April 2005 are as follows:

Date of Valuation	Description of Property	Valuation Amount RM	Basis of Valuation
19 September 2001	Freehold industrial land and building at Seberang Perai Selatan, Penang	32,940,000	Comparison and depreciated replacement cost method
19 September 2001	Freehold agricultural land at Seberang Perai Selatan, Penang	720,000	Comparison method
19 September 2001	Leasehold industrial land and building at Parit Buntar, Perak	1,840,000	Comparison and depreciated replacement cost method
19 September 2001	Freehold industrial land at Melaka	223,000	Comparison method
19 September 2001	Freehold industrial land at Seberang Perai Selatan, Penang	2,955,000	Comparison method
19 September 2001	Leasehold industrial land at Seberang Perai Tengah, Penang	616,000	Comparison method
		39,294,000	

Had the revalued properties been carried at historical cost less accumulated depreciation, the net book value of the revalued properties that would have been included in the financial statements of the Group as at the end of the financial year would be as follows:

	GROUP	
	2005 RM	2004 RM
Freehold land	**6,359,779**	6,359,779
Long term leasehold land	**820,548**	835,467
Short term leasehold land	**132,800**	136,040
Buildings	**9,952,937**	10,361,232
	17,266,064	17,692,518

(b) At 30 April 2004, the net book value of motor vehicles of the Group held under hire-purchase and finance lease arrangements is RM394,988.

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) The net book values of properties pledged for bank borrowings as referred to in Note 20 are as follows:

	GROUP	
	2005	2004
	RM	RM
Leasehold land	–	588,400

(d) Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing RM54,407,103 (2004: RM39,252,176).

(e) The carrying amount of temporarily idle assets of the Group amounted to RM577,713 (2004: RM604,713).

(f) Included in property, plant and equipment of the Group are motor vehicles with carrying values amounting to RM57,035 (2004: RM39,615) and RM6,572 (2004: RM393) which are held in trust by third parties and related parties respectively.

(g) Certain land title deeds of a subsidiary are in the process of being transferred to the subsidiary's name. The carrying value of the land amounted to RM4,356,000 (2004: RM8,310,061).

13. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2005	2004
	RM	RM
Unquoted shares:		
At valuation	**88,930,283**	88,889,227
At cost	**7,071,804**	–
	96,002,087	88,889,227

Details of the subsidiaries whose financial year ends on 30 April are as follows:

Name of Subsidiaries	Equity interest held 2005 %	Equity interest held 2004 %	Principal Activities	Country of incorporation
Nibong Tebal Enterprise Sendirian Berhad	**100.00**	100.00	Trading in paper, cotton, diapers and sanitary products and mineral water	Malaysia
Nibong Tebal Paper Mill Sdn. Bhd.	**100.00**	100.00	Manufacturing and trading of paper products such as toilet rolls, tissues, serviette and investment holding	Malaysia
Nibong Tebal Personal Care Sdn. Bhd.	**100.00**	100.00	Manufacturing and trading of personal care products such as sanitary products	Malaysia
Nibong Tebal Logistics Sdn. Bhd.	**100.00**	100.00	Carrying out integrated logistics services, warehousing and trading of fast moving consumer goods	Malaysia

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Equity interest held 2005 %	2004 %	Principal Activities	Country of incorporation
Nibong Tebal IT Sdn. Bhd. (formerly known as Pacific Beauty Sdn. Bhd.)	**100.00**	–	Dormant – To carry out information technology related businesses	Malaysia
Nibong Tebal Technology Sdn. Bhd. (formerly known as NTPM Paper Products Sdn. Bhd.)	**100.00**	–	Dormant - To carry out research and development activities on the production technology, biotechnology and recycling of waste materials related to paper industry	Malaysia
NTPM (Thailand) Co. Ltd.*	**100.00**	–	Dormant - To be importers and dealers in all kinds of paper products, tissue papers, toilet rolls, paper towels and general merchandise	Thailand
NTPM (Singapore) Pte. Ltd. (formerly known as Nibong Tebal Paper Products Pte. Ltd.) **	**100.00**	100.00	Importers and dealers in all kinds of paper products, tissue papers, toilet rolls, paper towels and general merchandise	Singapore
Held Through NibongTebal Paper Mill Sdn. Bhd.				
Jia In Sdn. Bhd.	**60.00**	60.00	Printing of operating manuals, journals and packaging materials	Malaysia

* Audited by a member of Ernst & Young Global.
** Audited by a firm of auditors other than Ernst & Young.

Acquisition of subsidiaries

During the financial year, the Group acquired 100% equity interest in:

(a) Nibong Tebal IT Sdn. Bhd., comprising 11,398 ordinary shares of RM1.00 each for cash consideration of RM2,000;

(b) Nibong Tebal Technology Sdn. Bhd., comprising 25,223 ordinary shares of RM1.00 each for cash consideration of RM2,000; and

(c) NTPM (Thailand) Co. Ltd., comprising 10,000,000 ordinary shares of Thai Baht 2.5 each for a cash consideration of RM2,410,052.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The acquisition had the following effect on the Group's financial results for the year:

	RM
Revenue	–
Operating expenses	(62,954)
Loss from operations	(62,954)
Finance costs	–
Loss before taxation	(62,954)
Taxation	–
Net loss for the year	(62,954)

The acquisition had the following effect on the financial position of the Group as at the end of the year:

	RM
Property, plant and equipment	3,686
Inventories	12,998
Other receivables	2,380
Cash and bank balances	2,399,050
Other payables	(4,725)
Group's share of net assets	2,413,389

The fair values of the assets acquired and liabilities assumed from the acquisition of the subsidiaries were as follows:

	RM
Other receivables	2,380
Cash and bank balances	4
Trade and other payables	(12,827)
Fair value of total net assets	(10,443)
Goodwill on acquisition	14,443
Cost of acquisition	4,000

Cash outflow arising on acquisition:

	RM
Purchase consideration satisfied by cash	4,000
Cash and cash equivalents of subsidiaries acquired	(4)
Net cash outflow of the Group	3,996

14. OTHER INVESTMENTS

	GROUP 2005 RM	GROUP 2004 RM
Membership in golf club, at cost	**66,185**	66,185
Impairment loss	**(21,185)**	–
	45,000	66,185
Unquoted shares, at cost	**17,817**	17,817
	62,817	84,002

15. INVENTORIES

	GROU P 2005 RM	GROU P 2004 RM
Cost:		
Raw materials	**14,470,624**	12,657,563
Work-in-progress	**1,433,410**	1,572,246
Finished goods	**3,001,268**	4,256,328
Trading goods	**6,406,931**	4,149,068
	25,312,233	22,635,205

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM141,188,540 (2004: RM129,962,387).

16. TRADE RECEIVABLES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Due from subsidiaries	**–**	–	**5,022,949**	–
Trade receivables	**39,664,952**	36,281,542	**–**	–
Provision for doubtful debts	**(1,956,745)**	(1,993,980)	**–**	–
	37,708,207	34,287,562	**5,022,949**	–

The amount due from subsidiaries comprises management fee which are unsecured, interest-free and have no fixed terms of repayment.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

The Group's normal trade credit terms range from 30 days to 180 days. Other credit terms are assessed and approved on a case-by-case basis.

17. OTHER RECEIVABLES

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Due from a subsidiary	–	–	–	360,000
Advances to a subsidiary	–	–	2,932	–
Deposits for purchase of property, plant and equipment and raw materials	623,487	38,020	–	–
Sundry deposits and prepayments	1,124,645	860,673	7,528	–
Sundry receivables	1,073,233	1,211,970	140,819	140,819
Staff advances	265,846	121,517	1,807	–
Tax refundable	4,221,232	979,715	82,605	–
	7,308,443	3,211,895	235,691	500,819
Provision for doubtful debts	(295,296)	(280,095)	–	–
	7,013,147	2,931,800	235,691	500,819

The amount due from a subsidiary in the last financial year comprises dividend receivable from Nibong Tebal Paper Mill Sdn. Bhd..

The advances to a subsidiary, Nibong Tebal Personal Care Sdn. Bhd. are unsecured, interest-free and have no fixed terms of repayment.

Included in the deposits for purchase of property, plant and equipment and raw materials of the Group is deposit of RM101,656 for the acquisition of land as disclosed in Note 31.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

18. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Cash on hand and at banks	7,955,347	6,590,794	36,298	15,995
Short term placements with a licensed bank	–	1,500,000	–	–
	7,955,347	8,090,794	36,298	15,995

At 30 April 2004, the effective interest rate for deposits with a licensed bank was 2.45% per annum. The maturities of the deposits as at the end of the last financial year ranged from 1 day to 2 days.

19. RETIREMENT BENEFIT OBLIGATIONS

A subsidiary operates an unfunded defined benefit plan for its eligible employees, as provided under the agreement between the Company and the Paper And Paper Products Manufacturing Employees Union. Under the plan, employees with a minimum period of service of 5 years are entitled to retirement benefits calculated at 4% of final salary on attainment of the retirement age of 55.

The amount recognised in the balance sheet represents the present value of the unfunded defined benefit obligations, analysed as follows:

	GROUP	
	2005	**2004**
	RM	**RM**
Current	**27,613**	68,324
Non-current	**529,690**	402,991
	557,303	471,315

The amounts recognised in the income statement are as follows:

	GROUP	
	2005	**2004**
	RM	**RM**
Current service cost	**99,517**	77,803
Interest cost	**54,795**	26,364
Total, included in staff costs (Note 5)	**154,312**	104,167

Movements in the net liability in the current year were as follows:

	GROUP	
	2005	**2004**
	RM	**RM**
At 1 May	**471,315**	384,465
Amounts recognised in the income statement (Note 5)	**154,312**	104,167
Contributions paid	**(68,324)**	(17,317)
At 30 April	**557,303**	471,315

Principal actuarial assumptions used:

	2005	**2004**
	%	**%**
Discount rate	**7.00**	7.00
Expected rate of salary increases	**7.00**	7.00

20. BORROWINGS

	GROUP	
	2005	**2004**
	RM	**RM**
Short Term Borrowings		
Secured:		
Bankers' acceptance	**44,178,000**	20,743,000
Export credit refinancing	**11,364,000**	8,684,000
Term loans	**5,395,577**	2,599,905
Hire-purchase payables (Note 20.1)	**–**	77,041
	60,937,577	32,103,946
Long Term Borrowings		
Secured:		
Term loans	**5,359,387**	4,982,140
Total Borrowings		
Bankers' acceptance	**44,178,000**	20,743,000
Export credit refinancing	**11,364,000**	8,684,000
Term loans	**10,754,964**	7,582,045
Hire-purchase payables	**–**	77,041
	66,296,964	37,086,086
Maturity of borrowings (excluding hire-purchase payables):		
Within 1 year	**60,937,577**	32,026,905
More than 1 year and less than 2 years	**4,546,515**	3,107,661
More than 2 years and less than 5 years	**812,872**	1,874,479
	66,296,964	37,009,045

The effective interest rates per annum as at balance sheet date for borrowings, excluding hire-purchase payables are as follows:

	2005	**2004**
	%	**%**
Bankers' acceptance	3.03 - 3.21	3.02 - 3.59
Export credit refinancing	2.90 - 3.00	2.90 - 3.00
Term loans	6.10 - 6.25	6.00 - 7.50

The bank borrowings, excluding term loans, are secured by the following:

- Joint and several guarantee by the directors and person connected to a director of a subsidiary by virtue of his family relationship for RM36,000,000 (which has been discharged subsequent to the year end);
- Corporate guarantee from the Company for RM104,150,000 (2004: RM114,150,000); and
- Negative pledge over the assets of a subsidiary.

The term loans are secured by the following:

- Corporate guarantee from the Company for RM15,500,000 (2004: RM15,500,000);
- First legal charge over a leasehold land with carrying value of RM588,400 in the last financial year; and
- Negative pledge over the assets of a subsidiary.

20.1 HIRE-PURCHASE PAYABLES

	GROUP	
	2005	2004
	RM	RM
Minimum lease payments:		
Not later than one year	–	79,242
	–	79,242
Finance charges	–	(2,201)
Present value of hire-purchase payables	–	77,041
Present value of hire-purchase payables:		
Not later than one year	–	77,041
Analysed as:		
Due within 12 months (Note 20)	–	77,041

At 30 April 2004, the hire-purchase payables carried interest of 2.80% per annum.

21. TRADE PAYABLES

	GROUP	
	2005	2004
	RM	RM
Trade payables	**11,963,439**	13,731,133

The normal trade credit terms granted to the Group range from 30 days to 90 days.

22. OTHER PAYABLES

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Due to directors	**23,347**	40,059	**–**	–
Due to subsidiaries	**–**	–	**13,655,352**	2,473,908
Accrual for payroll related expenses	**5,037,076**	4,528,108	**1,127,881**	122,000
Indirect taxes and other statutory payables	**2,383,005**	2,232,092	**43,602**	–
Accruals of expenses	**2,592,548**	2,095,023	**108,182**	55,905
Other payables	**4,256,885**	4,094,999	**–**	–
	14,292,861	12,990,281	**14,935,017**	2,651,813

The amounts due to directors represent advances from the directors of a subsidiary. The amounts due are unsecured, interest free and repayable upon demand.

The amounts due to subsidiaries are mainly advances which are unsecured, interest-free and have no fixed terms of repayment.

23. SHARE CAPITAL

	Number of Ordinary Shares of RM0.10 Each		Amount	
	2005	2004	2005 RM	2004 RM
Authorised:				
At 1 May 2004 and 30 April 2005	**2,500,000,000**	2,500,000,000	**250,000,000**	250,000,000
Issued and fully paid:				
At 1 May 2004 and 30 April 2005	**624,000,000**	624,000,000	**62,400,000**	62,400,000

24. OTHER RESERVES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Non-Distributable				
Revaluation reserves:				
Properties	**7,863,232**	7,863,232	**–**	–
Investments in subsidiaries	**–**	–	**24,972,543**	24,972,543
	7,863,232	7,863,232	**24,972,543**	24,972,543

25. RETAINED PROFITS

The Company has, pending agreement with the tax authorities, tax exempt profit of approximately RM1,706,000 (2004: RM1,706,000) available for distribution as at 30 April 2005.

The Company also has, pending agreement with the tax authorities, sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank by way of non tax exempt dividend approximately RM3,360,000 (2004: RM3,360,000) of its retained profits as at 30 April 2005. Any non tax exempt dividend paid in excess of the amount will be subject to tax at 28%.

26. DEFERRED TAX LIABILITIES

	GROUP	
	2005 RM	2004 RM
At 1 May	**12,332,067**	11,954,133
Recognised in the income statement (Note 9)	**(3,271,620)**	377,001
	9,060,447	12,331,134
Exchange differences	**1,295**	933
At 30 April	**9,061,742**	12,332,067
Presented after appropriate offsetting as follows:		
Deferred tax assets	**–**	–
Deferred tax liabilities	**9,061,742**	12,332,067
	9,061,742	12,332,067

26. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred Tax Assets of the Group:

	Retirement Benefit Obligations RM	Unabsorbed Reinvestment Allowances RM	Other Payables RM	Other RM	Total RM
At 1 May 2004	**(131,968)**	**(96,600)**	**(685,776)**	**–**	**(914,344)**
Recognised in the income statement	**(24,077)**	**(7,447,632)**	**79,826**	**(236,238)**	**(7,628,121)**
At 30 April 2005	**(156,045)**	**(7,544,232)**	**(605,950)**	**(236,238)**	**(8,542,465)**
At 1 May 2003	(107,650)	(152,000)	(775,057)	–	(1,034,707)
Recognised in the income statement	(24,318)	55,400	89,281	–	120,363
At 30 April 2004	(131,968)	(96,600)	(685,776)	–	(914,344)

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM	Revaluation of Properties RM	Others RM	Total RM
At 1 May 2004	**11,852,065**	**1,394,346**	**–**	**13,246,411**
Recognised in the income statement	**4,271,090**	**85,207**	**204**	**4,356,501**
Exchange differences	**1,295**	**–**	**–**	**1,295**
At 30 April 2005	**16,124,450**	**1,479,553**	**204**	**17,604,207**
At 1 May 2003	11,456,100	1,532,740	–	12,988,840
Recognised in the income statement	395,032	(138,394)	–	256,638
Exchange differences	933	–	–	933
At 30 April 2004	11,852,065	1,394,346	–	13,246,411

Deferred tax assets have not been recognised in respect of the following items:

	GROUP 2005 RM	GROUP 2004 RM
Unused tax losses	**120,439**	35,493
Unabsorbed capital allowances	**63,092**	22,293
Unabsorbed reinvestment allowances	**–**	11,410
	183,531	69,196

The unused tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

27. RESERVE ON CONSOLIDATION

	GROUP	
	2005 RM	2004 RM
Reserve on consolidation	**264,239**	264,239
Accumulated amortisation	**(132,120)**	(105,696)
	132,119	158,543
Goodwill on consolidation	**14,443**	–
Accumulated amortisation	**(1,445)**	–
	12,998	–
	119,121	158,543

28. COMMITMENTS

	GROUP	
	2005 RM	2004 RM
Capital expenditure:		
Approved and contracted for:		
Land and buildings	**914,904**	69,655
Plant and machinery	**2,676,805**	20,579,332
Motor vehicles	**394,500**	509,041
Operating lease commitments payable:		
Not later than 1 year	**294,351**	536,612
Later than 1 year and not later than 5 years	**207,380**	246,975
	4,487,940	21,941,615

29. CONTINGENT LIABILITIES (UNSECURED)

GROUP

During the financial year, the investigation unit of the Inland Revenue Board (IRB) has commenced detailed inquiries into the prior years' tax affairs of certain subsidiaries of the Group and has to-date, raised certain issues for the Group to address. The Group is currently in discussions with the IRB on the issues raised by it but has not made any provision for the liabilities, if any, which may arise from these detailed inquiries as the Group is not able to make a reliable estimate of the liabilities at this current stage.

COMPANY

	2005 RM	2004 RM
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	**66,296,964**	36,656,420

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP	
	2005	2004
	RM	RM
Rental income from Priority Plus Sdn. Bhd.*	**–**	112,000

	COMPANY	
	2005	**2004**
	RM	**RM**
Management fee from subsidiaries	**5,022,949**	–
Dividend income from subsidiaries	**12,694,444**	6,500,000

* Lee See Jin, a current substantial shareholder of the Company, is a brother to Lee Eng Sia. Priority Plus Sdn. Bhd. is a company related to Lee Eng Sia.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

31. OTHER SIGNIFICANT EVENTS

(a) On 25 October 2004, the Company acquired 100% equity interest in NTPM (Singapore) Pte. Ltd. (formerly known as Nibong Tebal Paper Products Pte. Ltd.), comprising 30,002 ordinary shares of SGD 1.00 each for cash consideration of RM4,648,410 from its wholly owned subsidiary, Nibong Tebal Paper Mill Sdn. Bhd..

(b) On 26 February 2005, a subsidiary has entered into a Sales and Purchase Agreement to dispose off a piece of freehold industrial land held under PT 1582 HS(D) 27334, Mukim Krubong, Daerah Melaka Tengah, Melaka for a total consideration of RM203,222. The disposal is pending approval from the state authority for the transfer of ownership.

(c) On 18 March 2005, a subsidiary has entered into a Sale and Purchase Agreement for the purchase of all those vacant pieces of land and hereditaments known as Lot Nos. 784, 786, 787, 788 and 789 held under Geran Mukim No. Hakmilik 267, 269, 270, 271 and 273 respectively all situated in Mukim 8, Daerah Seberang Perai Selatan, Pulau Pinang for a total consideration of RM1,016,560. As at year ended 30 April 2005, the Group had paid RM101,656 as deposit. The acquisition has been completed subsequent to year end.

32. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objective and Policies

The Group is exposed to a variety of financial risks, including the effect of changes in interest rates, market, credit, liquidity, cash flow and foreign currency exchange rate risk. 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 these risks. The Group operates within clearly defined guidelines that are approved by the Board and are regularly reviewed and updated to take into account the changes in the operating environment.

(b) Interest Rate Risk

The Group is exposed to interest rate risk for changes in interest rates primarily for debt obligation and placement in the money market. The Group's policy is to maintain a mix of fixed and variable rate debt instruments. The objectives for a mix between fixed and variable rate borrowings are to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

32. FINANCIAL INSTRUMENTS (CONT'D)

(c) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored by limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures and periodic review of their financial status. Counter parties are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security.

(d) Liquidity and Cash Flow Risk

Prudent liquidity management requires the Group to maintain sufficient cash, internally generated cash flow, and the availability of funding resources through an adequate amount of committed credit facilities. Due to the dynamic nature of business, the Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time. Also, the objective for debt maturities is to ensure that the amount of debt maturing in any one year is not beyond the Group's means to repay and refinance.

(e) Foreign Exchange Risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into by a subsidiary other than its functional currency. The subsidiary matches three months expected receivables in foreign currency against the expected payables in foreign currency within the same period. The subsidiary enters into foreign currency forward contracts for the net exposure in foreign currency to mitigate the exposure to the currency risk as to the monetary assets and liabilities of the subsidiary.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

At 30 April 2005:

	Net Financial Assets/(Financial Liabilities) Held in Non-Functional Currency				
Functional Currency of the Group	United States Dollar RM	Singapore Dollar RM	Japanese Yen RM	Euro Dollar RM	Total RM
Trade Receivables					
Ringgit Malaysia	4,815,875	4,344,400	–	–	9,160,275
Other Receivables					
Ringgit Malaysia	101,929	–	–	–	101,929
Cash and Bank Balances					
Ringgit Malaysia	524,910	119,454	–	–	644,364
Trade Payables					
Ringgit Malaysia	210,313	178,595	–	11,364	400,272
Other Payables					
Ringgit Malaysia	5,844	236,683	–	7,942	250,469

32. FINANCIAL INSTRUMENTS (CONT'D)

(e) Foreign Exchange Risk (cont'd)

At 30 April 2004:

	Net Financial Assets/(Financial Liabilities) Held in Non-Functional Currency				
	United States Dollar RM	Singapore Dollar RM	Japanese Yen RM	Euro Dollar RM	Total RM
Trade Receivables					
Ringgit Malaysia	3,491,488	–	–	–	3,491,488
Other Receivables					
Ringgit Malaysia	101,929	–	–	–	101,929
Cash and Bank Balances					
Ringgit Malaysia	606,003	6,060	–	–	612,063
Singapore Dollar	66,174	–	–	–	66,174
	672,177	6,060	–	–	678,237
Trade Payables					
Ringgit Malaysia	2,064,498	936,693	1,628	7,163	3,009,982
Other Payables					
Ringgit Malaysia	22,770	18,235	–	92,148	133,153

The outstanding forward foreign exchange contracts of a subsidiary are as follows:

Hedged items	Currency to be received/settled #	Amount in foreign currency	RM equivalent	Average forward contract rate	Fair value RM
At 30 April 2005:					
Trade receivables	Singapore Dollar	**2,950,000**	**6,857,180**	**2.3245**	**6,750,780**
	Australian Dollar	**1,084,000**	**3,184,184**	**2.9374**	**3,164,413**
At 30 April 2004:					
Trade receivables	Singapore Dollar	3,030,000	6,861,354	2.2645	6,749,266
Plant and machinery	Euro Dollar #	2,340,000	9,886,671	4.2251	10,698,390

The maturity dates for the forward foreign exchange contracts are within one year.

32. FINANCIAL INSTRUMENTS (CONT'D)

(f) Fair Values

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximate their fair values except for the following:

	Note	GROUP Carrying Amount RM	GROUP Fair Value RM
Financial Assets			
At 30 April 2005:			
Amounts due from subsidiaries	16	**5,022,949**	**o**
Other investments	14	**62,817**	*****
At 30 April 2004:			
Other investments	14	84,002	*

	Note	GROUP Carrying Amount RM	GROUP Fair Value RM	COMPANY Carrying Amount RM	COMPANY Fair Value RM
Financial Liabilities					
At 30 April 2005:					
Term loans	20	**5,359,587**	**4,611,518**	**–**	**–**
Amounts due to subsidiaries	22	**–**	**–**	**13,655,352**	**o**
At 30 April 2004:					
Term loans	20	4,982,140	4,965,498	–	–
Amounts due to subsidiaries	22	–	–	2,473,908	o

* It is not practical to estimate the fair value of the Group's other investments due to the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

o It is also not practical to estimate the fair values of amounts due to subsidiaries due principally to a lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs.

32. FINANCIAL INSTRUMENTS (CONT'D)

(f) Fair Values (cont'd)

The nominal/notional amounts and net fair values of financial instruments not recognised in the balance sheets of the Group and of the Company as at the end of the financial year are:

	Note	GROUP Nominal/ Notional Amount RM	GROUP Fair Value RM	COMPANY Nominal/ Notional Amount RM	COMPANY Fair Value RM
At 30 April 2005:					
Contingent liabilities	29	–	–	**66,296,964**	Ù
Forward foreign exchange contracts:					
Trade receivables	32(e)	**10,041,364**	**9,915,193**	–	–
At 30 April 2004:					
Contingent liabilities	29	–	–	36,656,420	Ù
Forward foreign exchange contracts:					
Trade receivables	32(e)	6,861,354	6,749,266	–	–
Plant and machinery	32(e)	9,886,671	10,698,390	–	–

Ù It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

i. Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

ii. Borrowings

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

iii. Derivative Financial Instruments

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable on termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and forward exchange rate as at the balance sheet date applied to a contract of similar quantum and maturity profile.

33. SEGMENTAL INFORMATION

(a) Business Segments:

The Group is organised into two major business segments:

i. Manufacturing – manufacturing of paper products such as toilet rolls, tissues, serviette and personal care products such as sanitary products.

ii. Trading – trading of paper, cotton, diapers and sanitary products and mineral water.

33. SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments: (cont'd)

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

30 April 2005	Manufacturing RM	Trading RM	Others RM	Amalgamation RM	Eliminations RM	Consolidated RM
REVENUE AND EXPENSES						
Revenue						
Segment revenue						
External sales	21,973,756	194,488,998	–	216,462,754	–	216,462,754
Inter-segment sales	165,139,818	11,417,586	17,763,954	194,321,358	(194,321,358)	–
Total revenue	187,113,574	205,906,854	17,763,954	410,784,112	(194,321,358)	216,462,754
Results						
Segment results	15,248,758	1,533,744	12,289,299	29,071,801	–	29,071,801
Unallocated results						–
Profit from operations						29,071,801
Finance costs, net						(2,462,723)
Profit before taxation						26,609,078
Taxation						1,891,707
Profit after taxation						28,500,785
Minority interests						(55,199)
Net profit for the year						28,445,586
ASSETS AND LIABILITIES						
Segment assets	195,992,256	49,711,799	766,440	246,470,495	–	246,470,495
Unallocated assets:						
Tax assets						4,221,232
Corporate assets						–
Consolidated total assets						250,691,727
Segment liabilities	21,313,428	4,215,785	1,284,390	26,813,603	–	26,813,603
Unallocated liabilities:						
Borrowings						66,296,964
Tax liabilities						9,062,108
Corporate liabilities						–
Consolidated total iabilities						102,172,675
Capital expenditure	43,103,000	1,848,985	593,762	45,545,747	–	45,545,747
Depreciation	12,744,942	1,278,425	13,777	14,037,144	–	14,037,144
Amortisation of goodwill	–	–	1,445	1,445	–	1,445
Amortisation of reserve on consolidation	(26,424)	–	–	(26,424)	–	(26,424)
Impairment losses	33,704	–	–	33,704	–	33,704
Non-cash expenses other than depreciation, goodwill written off and impairment losses	345,182	443,924	–	789,106	–	789,106

33. SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments: (cont'd)

30 April 2004	Manufacturing RM	Trading RM	Others RM	Amalgamation RM	Eliminations RM	Consolidated RM
REVENUE AND EXPENSES						
Revenue						
Segment revenue						
External sales	19,126,325	182,227,292	–	201,353,617	–	201,353,617
Inter-segment sales	158,112,443	–	–	158,112,443	(158,112,443)	–
Total revenue	177,238,768	182,227,292	–	359,466,060	(158,112,443)	201,353,617
Results						
Segment results	33,605,152	3,223,095	(5,625)	36,822,622	–	36,822,622
Unallocated results						(308,985)
Profit from operations						36,513,637
Finance costs, net						(1,461,517)
Profit before taxation						35,052,120
Taxation						(6,468,748)
Profit after taxation						28,583,372
Minority interests						(69,288)
Net profit for the year						28,514,084
ASSETS AND LIABILITIES						
Segment assets	163,915,038	44,208,205	94,833	208,218,076	–	208,218,076
Unallocated assets:						
Tax assets						979,715
Corporate assets						156,814
Consolidated total assets						209,354,605
Segment liabilities	23,432,851	3,579,558	2,415	27,014,824	–	27,014,824
Unallocated liabilities:						
Borrowings						37,086,086
Tax liabilities						13,018,101
Corporate liabilities						177,905
Consolidated total iabilities						77,296,916
Capital expenditure	37,165,325	1,227,344	–	38,392,669	–	38,392,669
Depreciation	12,369,390	857,972	–	13,227,362	–	13,227,362
Amortisation of reserve on consolidation	(26,424)	–	–	(26,424)	–	(26,424)
Non-cash expenses other than depreciation, goodwill written off and impairment losses	376,538	254,403	–	630,941	–	630,941

33. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical Segments:

The Group's operations are mainly located in Malaysia, except that of a subsidiary in Singapore. The customers for the manufacturing businesses are located worldwide, namely in Singapore and other countries such as Hong Kong, Brunei, Philippines, Africa, Australia and New Zealand.

	Total revenue from external customers		Segment assets		Capital expenditure	
	2005 RM	2004 RM	2005 RM	2004 RM	2005 RM	2004 RM
Malaysia	**152,662,106**	143,042,593	**234,702,253**	197,740,119	**45,353,483**	37,727,535
Singapore	**44,064,413**	40,701,464	**9,366,253**	10,477,957	**188,578**	665,134
Others *	**19,736,235**	17,609,560	**2,401,989**	–	**3,686**	–
Consolidated	**216,462,754**	201,353,617	**246,470,495**	208,218,076	**45,545,747**	38,392,669

* Others mainly refer to countries such as Hong Kong, Brunei, Philippines, Africa, Australia and New Zealand.

34. CURRENCY

All amounts are stated in Ringgit Malaysia (RM).

Location/Address	Description of property/ Existing use	Land/ Built-up Area (Sq. m.)	Approximate Age of Building (Year)	Tenure	Registered Owner	NBV 30.4.2005 RM	Date of Valuation
1 Lot 1000, Grant No. 35375 and Lot 999, G.M.514, Mukim 8, Seberang Perai Selatan, Pulau Pinang.	Paper Mill and tissue manufacturing factory The factory is located at No. 886, Jalan Bandar Baru, Sungai Kecil, 14300 Nibong Tebal	69,082/ 28,617	Between 7 to 26 years	Freehold industrial land	NTPM	18,325,353	19.9.2001
2 Lot 642, Grant No.2263, Mukim 8, Seberang Perai Selatan, Pulau Pinang.	A parcel of agricultural land	52,100	–	Freehold agricultural land	NTPM	670,000	19.9.2001
3 Lot 109, G.M 372, I.R.608 Lot 609, G.M.594, I.R.610 Lot 631, G.M.107, I.R.801 I.R.804, Lot 808, G.M 598 Lot 810, G.M 285, Lot 811, G.M 286, Lot 957, G.M 501 Lot 958, G.M 502 & Lot 959 G.m 503, Mukim 8, Seberang Perai Selatan, Pulau Pinang.	Vacant industrial land except for the followings: Lot 608 -boiler house mechanical workshop wastewater treatment plant, waste wood storage Lot 631 is utilised as open storage yard for wastepaper Lot 109, Lot 609, Lot 811, Lot 804 and Lot 808 is utilised as open storage yard for wastepaper Lot 608 & Lot 609 is utilised as sanitary napkin manufacturing factory, Finished Goods building, fiber flow drum building and waste paper building	191,170/ 31,437	Between 2 to 5 Between 2 to 3	Freehold industrial land	NTPM	22,151,324	19.9.2001
4 Lot 5787, Pajakan Negeri No 41687, Mukim of Parit Buntar , District of Krian, Perak.	A factory complex with a gross built-up area of 3,100 sq.m located at P.t. No 139, kawasan Perusahaan Parit Buntar, which presently is vacant.	4,165/ 3,100	Between 7 to 9	Leasehold industrial land for a term of 60 years expiring on 22.10.2047	NTPM	1,695,976	19.9.2001

Location/Address	Description of property/ Existing use	Land/ Built-up Area (Sq. m.)	Approximate Age of Building (Year)	Tenure	Registered Owner	NBV 30.4.2005 RM	Date of Valuation
5 P.T No.1582, H.S. (D) 27334, Mukim of Krubong, District of Melaka Tengah, Melaka.	Vacant industrial lot	1,890	–	Freehold industrial land	NTPM	223,000	19.9.2001
6 Lot 442, Grant No.32492 & Lot 443, G.M 478, Mukim 7, and lot 794, G.M 277 Mukim 8, Seberang Perai Selatan, Pulau Pinang.	Lot 442 & 443- vehicle workshop building Lot 794 - vacant agricultural land	75,919/ 279	3	Freehold industrial land except for Lot 794 which is a freehold agricultural land	NTPM	3,765,723	19.9.2001
7 H.S.(D) 224308 PTD No. 41665 Senai-Kulai, Johor Bahru, Johor.	An office and warehouse complex	4,390/ 1,593	2	Freehold land	NTPM	1,396,876	Acquired on 8.5.2002
8 Lot 3387 GM253 Mukim Petaling, Selangor.	Vacant Industrial land	7,382	–	Freehold industrial land	NTPM	3,447,660	Acquired on 11.4.2002
9 No 5, Jalan Tiang U8/93, Bukit Jelutong Industrial Park, Shah Alam, Selangor.	Vacant Industrial land	10,000	–	Freehold industrial land	NTPM	4,356,000	Acquired on 31.12.2002
10 P.T No 385, H.S (D) 2279, Mukim 13, Seberang Perai Tengah, Pulau Pinang.	Vacant industrial land	4,876	–	Leasehold industrial land for a term of 60 years expiring on 5.7.2060	Jia In	577,779	19.9.2001

SHARE CAPITAL

Authorised Capital	:	RM250,000,000.00
Issued and Fully Paid-Up Capital	:	RM62,400,000.00 consisting 624,000,000 ordinary shares of RM0.10 each
Class of Equity Securities	:	Ordinary shares of RM0.10 each
Voting Rights	:	One vote per share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

No. of Holders	Holdings	Total Shareholdings	%
4	Less than 100	173	0.00
488	100 - 1,000	469,180	0.08
1,954	1,001 - 10,000	10,812,000	1.73
801	10,001 to 100,000	26,425,934	4.24
154	100,001 to less than 5% of issued shares	320,698,555	51.39
3	5% and above of issued shares	265,594,158	42.56
3,404		624,000,000	100.00

30 LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name	No. of Shares Held	%
1	Lee See Jin	182,534,194	29.25
2	Lee Chong Choon	50,900,365	8.16
3	HDM Nominees (Tempatan) Sdn Bhd [Teoh Teik Lin]	32,159,599	5.15
4	HDM Nominees (Tempatan) Sdn Bhd [Kota Beras Sdn Bhd]	24,151,068	3.87
5	HDM Nominees (Tempatan) Sdn Bhd [Teoh Teik Kee]	23,492,408	3.76
6	Wangsa Danau Sdn Bhd	23,100,000	3.70
7	HDM Nominees (Tempatan) Sdn Bhd [B.T. Teoh Holdings Sdn Bhd]	21,092,729	3.38
8	HDM Nominees (Tempatan) Sdn Bhd [HDM Capital Sdn Bhd For Khatulistiwa Corporate Services Sdn Bhd]	19,500,000	3.13
9	Delima Seraya Sdn Bhd	15,055,907	2.41
10	Ooi Yan Hua	14,602,525	2.34
11	Employees Provident Fund Board	12,669,200	2.03
12	Tan Keat Chew	12,480,022	2.00
13	Ooi Kim Tean @ Ng Ah Ba	11,020,654	1.77
14	HDM Nominees (Tempatan) Sdn Bhd [Teoh Boon Beng @ Teoh Eng Kuan]	10,409,500	1.67
15	Tan Swee Kim @ Tan Poh Gaik	7,815,744	1.25
16	CIMB Nominees (Tempatan) Sdn Bhd [Lee See Jin]	6,657,119	1.07
17	HDM Nominees (Tempatan) Sdn Bhd [Teoh Teik Wai]	6,050,000	0.97
18	HSBC Nominees (Tempatan) Sdn Bhd [HSBC (M) Trustee For Prudential Dynamic Fund]	5,472,300	0.88
19	HDM Nominees (Tempatan) Sdn Bhd [Ginny Teoh Chooi Sean]	5,050,000	0.81
20	United Overseas Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Teoh Teik Lin]	5,000,000	0.80
21	HDM Nominees (Tempatan) Sdn Bhd [Teoh Boon Teong]	4,818,000	0.77
22	HDM Nominees (Tempatan) Sdn Bhd [Teoh Teik Toe]	4,128,000	0.66
23	HSBC Nominees (Asing) Sdn Bhd [Dz Bank Intl For Uni Em Fernost Treuhandkonto, Luxembourg]	4,000,000	0.64

30 LARGEST SECURITIES ACCOUNT HOLDERS (cont'd)

No.	Name	No. of Shares Held	%
24	Teoh Teik Jin	3,689,313	0.59
25	Permodalan Nasional Berhad	3,649,000	0.58
26	Ng Cheng Kee	3,617,822	0.58
27	Ng Kim Sun @ Ng Ang Ba	3,341,184	0.54
28	Cimsec Nominees (Tempatan) Sdn Bhd [CIMB For Lee Chong Choon]	3,000,000	0.48
29	Ng Inn Beo	2,968,300	0.48
30	Tan Keat Chew	2,842,000	0.46

SUBSTANTIAL SHAREHOLDERS

(excluding those who are bare trustee pursuant to Section 69 of the Companies Act, 1965)

	No. of ordinary shares of RM0.10 each beneficially held by the Substantial Shareholders					
Name of Substantial Shareholders	Direct	%	Note	Indirect	%	Note
Lee See Jin	182,534,194	29.25		14,602,525	2.34	4
Lee Chong Choon	53,900,365	8.64	1	–	–	
Teoh Teik Lin	37,159,599	5.96	2	–	–	
Teoh Boon Beng @ Teoh Eng Kuan	10,409,500	1.67	3	25,831,068	4.14	5

Notes:

1. By virtue of his shareholdings of 3,000,000 shares held through Cimsec Nominees (Tempatan) Sdn Bhd and 50,900,365 shares held under his own name.
2. By virtue of his shareholdings of 32,159,599 shares held through HDM Nominees (Tempatan) Sdn Bhd and 5,000,000 shares held through United Overseas Nominees (Tempatan) Sdn Bhd.
3. Held through HDM Nominees (Tempatan) Sdn Bhd.
4. Deemed interested by virtue of Madam Ooi Yan Hua, his spouse's interest in NTPM Holdings Berhad.
5. Deemed interested by virtue of his shareholding in Kota Beras Sdn Bhd and Teoh Peng Heong & Sons Sdn Bhd.

DIRECTORS' SHAREHOLDINGS (DIRECT & INDIRECT)

	No of ordinary shares of RM0.10 each beneficially held by the Directors					
Name of Directors	Direct	%	Note	Indirect	%	Note
Teoh Boon Beng @ Teoh Eng Kuan	10,409,500	1.67	1	25,831,068	4.14	4
Lee See Jin	182,534,194	29.25		14,602,525	2.34	5
Lee Chong Choon	53,900,365	8.64	2	–	–	
Teoh Teik Toe	4,128,000	0.66	3	–	–	
Lim Han Nge	–	–		–	–	
Tan Hock Soon	–	–		–	–	

Notes:

1. Held through HDM Nominees (Tempatan) Sdn Bhd.
2. By virtue of his shareholdings of 3,000,000 shares held through Cimsec Nominees (Tempatan) Sdn Bhd and 50,900,365 shares held under his own name.
3. Held through HDM Nominees (Tempatan) Sdn Bhd.
4. Deemed interested by virtue of his shareholding in Kota Beras Sdn Bhd and Teoh Peng Heong & Sons Sdn Bhd.
5. Deemed interested by virtue of Madam Ooi Yan Hua, his spouse's interest in NTPM Holdings Berhad.

INTERESTS IN THE RELATED CORPORATION

Mr. 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.

Save as disclosed above, none of the other Directors in office have any interest in shares in the Company or its related corporations.

NTPM HOLDINGS BERHAD (384662 U)
(INCORPORATED IN MALAYSIA)

PROXY FORM

No. of shares held	

I / We ____ NRIC/Passport No. ____,
(BLOCK LETTERS)

of____,
(full address)

being a member of **NTPM HOLDINGS BERHAD** ("the Company"), do hereby appoint ______________________________

____ (NRIC/Passport No. _______________________________________)

of____,

or failing him, _______________________________________ (NRIC/Passport No. _______________________________________)

of____,

or the Chairman of the meeting as my / our proxy to vote in my / our name(s) on my / our behalf at the Ninth Annual General Meeting of the Company to be held at Bukit Jawi Golf Resort, 691, Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Pulau Pinang on Friday, 16 September 2005 at 9.30 a.m. and at any adjournment thereof.

My / Our Proxy is to vote as indicated below:

AGENDA:			
1.	To receive the Audited Financial Statements for the financial year ended 30 April 2005 together with the Reports of the Directors and Auditors thereon.		
	RESOLUTIONS	**FOR**	**AGAINST**
Ordinary Business:			
2.	Re-appointment of Mr. Teoh Boon Beng @ Teoh Eng Kuan as a Director.		
3(i).	Re-election of Mr. Lee See Jin as a Director.		
(ii).	Re-election of Mr. Lim Han Nge as a Director.		
4.	Approval for the payment of a first & final tax exempt dividend.		
5.	Approval for the payment of directors' fees.		
6.	Re-appointment of Messrs. Ernst & Young as Auditors.		
Special Business:			
7.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		

(Please indicate with an 'X' in the space provided how you wish your vote to be cast. In the absence of specific directions, your proxy will vote or abstain as he /she thinks fit)

Signed this ________ day of ___________________________, 2005

____
Signature of Shareholder / Common Seal

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 appointor 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, Lebuh Farquhar, 10200 Pulau Pinang at least 48 hours before the time for holding the meeting or any adjournment thereof.

Fold here

Fold here

Stamp

To : Company Secretary
NTPM Holdings Berhad (384662U)
Suite 18.05, MWE Plaza
No. 8, Lebuh Farquhar,
10200 Pulau Pinang.

Fold here

trusted
hygience & safe