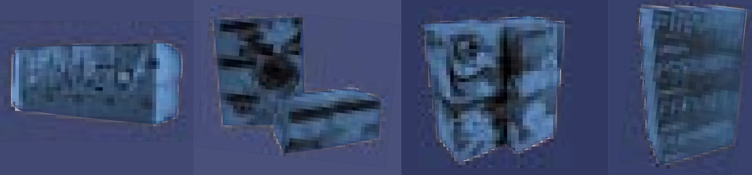

Contents

NOTICE IS HEREBY GIVEN that the Tenth (10th) 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, 22 September 2006 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 2006 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 as 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. Tan Hock Soon
   (ii) Mr. Teoh Teik Toe

4. To approve the payment of a final tax exempt dividend of 11.5% for the year ended 30 April 2006;

5. To approve the payment of directors' fees for the year ended 30 April 2006;

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a final tax exempt dividend of 11.5% in respect of the financial year ended 30 April 2006 will be payable on 19 October 2006. The entitlement date for the dividend payment is 29 September 2006 if approved by members at the Tenth Annual General Meeting to be held on 22 September 2006.

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 29 September 2006 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: 30 August 2006

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% 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.

1. The retiring Directors who are standing for re-appointment or re-election at the Tenth Annual General Meeting of the Company are as follows:

   (a) Re-appointment in accordance with Section 129(6) of the Companies Act, 1965
      i. Mr. Teoh Boon Beng @ Teoh Eng Kuan

   (b) Re-election in accordance with Article 133 of the Company's Articles of Association
      i. Mr. Tan Hock Soon
      ii. Mr. Teoh Teik Toe

   The retiring Directors have attended all four (4) Board Meetings held during the financial year ended 30 April 2006.

2. The Tenth 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, 22 September 2006 at 9.30 am.

3. Further details of the retiring Directors who are standing for re-appointment or re-election at the Tenth Annual General Meeting are set out in pages 5 and 6, 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
Fax No : 04-262 8544

STOCK EXCHANGE LISTING

Main Board of the Bursa Securities

Stock Name : NTPM
Stock Code : 5066

The details of the Board of Directors are as follows :

TEOH BOON BENG @ TEOH ENG KUAN
Non-Independent Non-Executive Chairman

Mr. Teoh Boon Beng @ Teoh Eng Kuan, a Malaysian, aged 73, 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 also the president of Kedah Chinese Chamber of Commerce and Industries since 2002 and 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 had attended all four Board of Directors' Meetings held in the financial year ended 30 April 2006.

LEE SEE JIN
Managing Director

Mr. Lee See Jin, a Malaysian, aged 67, 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 Director of all subsidiaries of NTHB. He is the founder of the Group and has been in the paper industry for more than 27 years. Over the years, he has gained in-depth experience and knowledge of the paper industry in Malaysia.

He is a substantial shareholder of the Company and also the father of Mr. Lee Chong Choon, an Executive Director of the Company. He had attended all four Board of Directors' Meetings held in the financial year ended 30 April 2006.

LEE CHONG CHOON
Executive Director

Mr. Lee Chong Choon, a Malaysian, aged 41, 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 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 a substantial shareholder of the Company and also the son of Mr. Lee See Jin, the Managing Director of the Company. He had attended all four Board of Directors' Meetings held in the financial year ended 30 April 2006.

TEOH TEIK TOE
Non-Independent Non-Executive Director

Mr. Teoh Teik Toe, a Malaysian, aged 38, 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 position was as a Software Engineer in Hewlett Packard, Singapore before he moved to TT Solution Pte Ltd in Singapore as an Engineering Manager, a position he still holds today.

He is the nephew of Mr. Teoh Boon Beng @ Teoh Eng Kuan, the Non-Independent Non-Executive Chairman of the Company. He had attended all four Board of Directors' Meetings held in the financial year ended 30 April 2006.

LIM HAN NGE
Senior Independent Non-Executive Director

Mr. Lim Han Nge, a Malaysian, aged 51, 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 NTHB. 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. He is a practicing advocate & solicitor and is currently a partner in the legal firm of Messrs. Jin-Nge & Co, Alor Setar. He is a Director of several private limited companies and is a legal adviser to several non-governmental organizations in Kedah.

He had attended all four Board of Directors' Meetings held in the financial year ended 30 April 2006.

TAN HOCK SOON
Independent Non-Executive Director

Mr. Tan Hock Soon, a Malaysian, aged 34, was appointed as an Independent Non-Executive Director of NTHB on 29 January 2003. He is also the Chairman of the Audit Committee of NTHB. 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 a public limited company, Leinet Technology Berhad and several other private limited companies.

He had attended all four Board of Directors' Meetings held in the financial year ended 30 April 2006.

Save for the family relationship as disclosed above, none of the above Directors have any family relationship with other Directors and/or major shareholders of the Company. None of the above Directors have any conflict of interest with the Company, nor any convictions for offences within the past ten years other than traffic offences, if any.

GROUP STRUCTURE AND ACTIVITIES

MANUFACTURING

Mill Sdn. Bhd. (22772-A)
trading of paper products such as toilet rolls, tissues,
ent holding

onal Care Sdn. Bhd. (228234-U)
trading of personal care products such as sanitary products

(161672-A)
ating manuals, journals and packaging materials

TRADING AND SERVICES

g Tebal Enterprise Sendirian Berhad (95077-H)
ng in tissue paper and paper products and in fast m
ds (FMCG)

NTL
Nibong Tebal Logistics Sdn. Bhd. (378479-H)
Provision of logistic services, warehousing and tr

NTIT
Nibong Tebal IT Sdn. Bhd. (500077-
Provision of information technolog

NTPM HOLDINGS BERHAD
(384662-U)
(NTHB)

OVERSEAS TRADING

NSPL
NTPM (S 3K)
Impo of tissue paper and paper produ
t

d) Co., Ltd. (0108454720303)
and dealers in all kinds of tissue p
ng in FMCG

NTT
Nibong Tebal T
Dormant ent activities on the
p g of waste materials related

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

On behalf of the Board of Directors, I am pleased to present the Annual Report of NTHB for the year ended 30 April 2006.

FINANCIAL PERFORMANCE

We continued to enjoy yet another year of growth whereby sales increased by 9.5%. Tissue product sales grew by 6.3% while sales of other personal care products grew by 47.2% compared to the previous year's sales.

Net profit after taxation, on the other hand, was comparable to the net profit after taxation in the preceding year. There was no corresponding increase in profits. This was due to higher costs as a result of increase in the cost of raw materials, higher distribution cost and higher depreciation charges because of the operation of the new 100 metric ton a day tissue paper machine.

TRENDS AND PROSPECTS

Tissue paper products will remain as the core products and are expected to achieve a higher growth rate in the coming year. Export sales will be the main engine of growth with focus in the ASEAN countries, Australia, New Zealand and East Asia.

Sales of sanitary napkins grew by 34.5% over the past year. A new production line with higher capacity and better technology has commenced production in July 2006. Apart from additional capacity, the new production line is capable of producing better quality sanitary napkins and a wider range of sanitary napkins which will fulfill the demands of consumers in a wider market segment.

A new wholly owned subsidiary, NTCL in Thailand has completed a full year of operation and the tissue paper products are currently being distributed in one of the major hypermarket chain groups. Plans are afoot to gain entry into several chain groups during the year. The Group structure together with the principal activities of each company is set out in page 7 of this report.

With the increased capacity in both the production of tissue paper products and sanitary napkins, the Group is ready to embark on a new phase of growth and we are optimistic that we will see tremendous sales growth in the forthcoming year.

DIVIDENDS

The Board is pleased to recommend a final tax-exempt dividend of 11.5% amounting to RM7,176,000 in respect of the financial year ended 30 April 2006.

The proposed final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting which will be held on 22 September 2006.

ACKNOWLEDGEMENTS

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

The Board is pleased to recommend a final tax-exempt dividend of 11.5% amounting to RM7,176,000 in respect of the financial year ended 30 April 2006.

於財政年度二零零六年四月三十日，董事會計划分發每股百分之十一點五的年終免徵稅利，相等於總額達七百一十七萬六千馬幣

本人謹代表董事會呈交截至二零零六年四月三十日啓順造紙業有限公司年度報告及財政結算報告書。

財務表現

公司本年度繼續保持理想表現，銷售總額比去年度上升百分之九點五。紙巾類產品銷量增長百分之六點三。其他個人護理用品銷售總額上升四十七點二百分點。

扣除稅收後淨利則與去年相似，收益無相應增長。這是由於原材料價格以及運送費用上漲，加上因每日採用全新的紙巾生產器生產一百公噸紙巾類製品，增加了附帶折舊費。

趨勢及展望

公司會繼續以紙巾類產品作為主銷產品，相信來年應能達到更高增長率。出口商品將成為增長的主要推動力，並集中以東協 (ASEAN) 及澳洲、新西蘭和東亞為對象。

衛生巾銷量於過去一年增加百分之三十四點五。此外，一條產量更大、科技更高的全新生產線於二零零六年七月開始啟用。除了產量更大以外，該生產線提供更高素質、更多種類的衛生巾，以滿足不同的市場需求。

NTCL 為獨立控股公司，在泰國業務已運作一整年，現正為當地其中一所大規模連鎖超級市場供應紙巾類產品。而公司亦正計划於本年內進入其他大規模連鎖超級市場。集團架構及各公司的主要業務刊於本報告書第七頁。

集團在提高紙巾類產品及衛生巾的產量後，準備迎接新一季增長。本公司看好來年的銷量應會大幅上升。

紅利

於財政年度二零零六年四月三十日，董事會計划分發每股百分之十一點五的年終免徵稅利，相等於總額達七百一十七萬六千馬幣。

年終分紅計划將於二零零六年九月二十二日的年度大會取得股東的同意。

感謝

本人謹代表公司董事會多謝各員工又一年的努力和貢獻，感謝合夥人不斷支持，更特別多謝顧客對本公司的信心。

最後，本人對各董事過去一年的建意及貢獻致以衷心感謝。

Sales of tissue products enjoyed a growth of 6.3%. Local sales increased by 3.4% while export sales grew by 12.7%. In terms of market share, local sales accounted for 67.1% of total sales while the remaining 32.9% consisted of overseas sales.

The revenue of NTHB and its subsidiaries increased to RM237 million from RM216 million in the preceding year. The net profit after taxation and minority interest for the current financial year is RM20.9 million. This was slightly lower compared to the profit after taxation and minority interest for the previous financial year.

The performance for the current year was affected mainly by the rising cost of raw materials, delivery cost and additional depreciation charges due to the operation of the new tissue paper machine. The Group has managed to minimize the direct impact of higher cost of production through various programs which have increased production efficiency and reduced cost.

TISSUE PRODUCTS

Sales for tissue products enjoyed a growth of 6.3%. Local sales increased by 3.4% while export sales grew by 12.7%. In terms of market share, local sales accounted for 67.1% of total sales while the remaining 32.9% consisted of overseas sales.

The major target market comprise the ASEAN countries and the nations in the South Pacific as well as East Asia. NTCL in Thailand has operated for a full year and the tissue paper products have entered into one of the hypermarket chain groups. It is expected that future sales growth in the export market will be more impressive compared to this financial year based on the availability of capacity and technology to produce higher quality tissue paper products from the new tissue paper machine.

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

Sales of sanitary napkins had risen by 34.5% compared to previous year. A new production line started operating in July 2006. This new production line has the capability to produce sanitary napkins which can incorporate more features and thus the product will be able to meet a wider range of consumer needs. The product will be competitive in terms of price and quality due to higher capacity and better technology.

BABY DIAPERS AND ADULT DIAPERS

Baby diapers and adult diapers were launched in October 2004. Considering the short span of time since the introduction of the products to the market, both have achieved respectable sales revenue. At present, these products are commissioned from OEM suppliers and distributed via the established distribution network of the Group.

Sales of tissue products enjoyed a growth of 6.3%. Local sales increased by 3.4% while export sales grew by 12.7%. In terms of market share, local sales accounted for 67.1% of total sales while the remaining 32.9% consisted of overseas sales.

QUALITY MANAGEMENT SYSTEM

NTHB is committed to continuously improve the quality of its products. The quality programs which had been implemented over the past years are continuously reviewed and improved to enhance the quality management system.

Moody International Certification successfully completed the surveillance audit for ISO9001:2000 Quality Standards on 18 and 19 April 2005 for three companies; NTHB, NTPM and NTE, and on 27 June 2006 for NTPC.

FUTURE CHALLENGES

With an additional 100 metric ton a day tissue paper output, NTPM now has the capacity to utilize some of these facilities to produce other types of paper products. Some of the existing tissue paper machines have been converted to produce wet crepe hand towels and other paper products. These products have not only increased the existing product range but will become additional sources of revenue for the Group.

The rising costs of many components of raw materials as well as fuel and utility have imposed tremendous challenge to the Group. Many of these costs cannot be contained by the Group and where possible the management always seeks to improve the production facilities and implement efficient methods to reduce production costs to counter and offset the higher cost of doing business.

As a further means to reduce production costs, the management is conducting a research in the production of pulp from local waste materials. This will significantly reduce the cost of raw materials as pulp fiber is a main raw material used in the production of tissue paper.

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

We look forward to another year of growth as we continue to seize and optimize the opportunities arising from the additional capacity for tissue paper products and sanitary napkins.

紙巾類產品銷量增長百分之六點三。本地銷量上升百分之三點四，出口銷量則有百分之十二點七增長。本地銷售占總銷量的百分之六十七點一，外地銷量則占餘下的百分之三十二點九。

集團本年度總收入二億三千七百萬馬幣，比去年度二億一千六百萬馬幣為多。本財政年度的扣除稅收後淨利比去年度稍減，總數達二千零九十萬馬幣。

影響公司本年度的表現主要因素為：原材料價格和運送費用上升，以及在全新紙巾生產器投入運作增加的附帶折舊費。公司已透過不同類型的計划 – 提高生產效率、降低成本 – 使生產費用上升直接造成的影響降到最低。

紙巾類產品

紙巾類產品銷量增長百分之六點三。本地銷量上升百分之三點四，出口銷量則有百分之十二點七增長。本地銷售占總銷量的百分之六十七點一，外地銷量則占餘下的百分之三十二點九。

產品主要銷售對象為東協(ASEAN)、南太平洋以及東亞國家。 NTCL 在泰國業務已運作一整年，並為其中一所大規模連鎖超級市場供應紙巾類產品。在新的紙巾生產器投入運作後，產量和技術有所提升，紙巾類產品素質亦得以提高。相比本財政年度，我們相信來年的出口銷量應有大幅度增長。

除了要求更高的素質外，顧客還會看重包裝設計的吸引程度，故不同類型的紙巾類產品在過去一年紛紛打入本地市場，以滿足不同的市場需求。

衛生巾

衛生巾銷量比去年度上升百分之三十四點五。於二零零六年七月投入生產的全新生產線能製造特性更多的衛生巾，故能滿足不同顧客的需求。產量以及技術得以提升，新製品的價格和素質方面的競爭力更大。

嬰兒尿布及成人尿布

嬰兒尿布及成人尿布於二零零四年十月面世。產品進入市場不久，銷量已有理想表現。產品現時由 OEM 供應商代理，透過本集團已建立的供應網絡提供貨品。

紙巾類產品銷量增長百分之六點三。本地銷量上升百分之三點四，出口銷量則有百分之十二點七增長。本地銷售占總銷量的百分之六十七點一，外地銷量則占餘下的百分之三十二點九。

品質管理系統

本集團承諾不斷改善產品的素質。為了加強品質管理系統，本集團亦不斷檢討和改進過去實行的品質計划。

Moody International Certification 於二零零五年四月十八和十九日為 NTHB , NTPM 和 NTE 以及於二零零六年六月二十七日為 NTPC 完成 ISO9001 : 2000 Quality Standards 品質檢查。

未來挑戰

在每日多產一百公噸紙巾類製品的情況下，NTPM 能利用某些設施製造其他紙巾類產品。一些現有的紙巾生產器在加以改良後，能製造縐紗濕手巾和其他紙巾類產品。新製品不但增加了產品種類，更將為集團帶來額外收益。

原材料及燃料等價格不斷上升，為集團帶來重大威脅。由於集團無法制止價格上調，故適當的管理以改善生產設施及採用有效辦法能降低生產成本，以抵銷更高的營運開支。

為了進一步降低生產成本，管理層正在研究以廢料製造紙漿的技術。以紙漿纖維作為製造紙巾的主要材料能大大降低原材料成本。

NTPM 會透過宣傳媒體繼續提高公眾使用紙巾類產品的意識，教育社會個人衛生的重要。

我們期待來年業務進一步增長，準備迎接紙巾類產品和衛生巾產量提升所製造的機會。

The Board of Directors of NTHB 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 the 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 to deliberate upon as a whole 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 at least once in 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 2006, the Board met four (4) times and details of the attendance are as follows:

Director	Total Attendance	Percentage (%)
Teoh Boon Beng @ Teoh Eng Kuan	4/4	100
Lee See Jin	4/4	100
Lee Chong Choon	4/4	100
Teoh Teik Toe	4/4	100
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.

The Directors collectively, with their different background and specialization, bring with them a diverse wealth of experience and expertise in areas such as business, finance, legal, engineering, regulatory and operations which is relevant to the Group. A brief profile of each individual Directors are set out on pages 5 and 6 of this annual report.

Board Balance (Cont'd)

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 the 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 Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities on all directors of listed companies and also successfully accumulated the requisite Continuing Education Programme ("CEP") points under Practice Note No. 15/2003 of the Listing Requirements of Bursa Securites within the stipulated time frame.

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.

Description of the type of training(s) (other than training attended for the purpose of fulfilling the CEP requirements) attended by the Directors for financial year ended 30 April 2006 are as follows:

Title of Seminar / Workshops / Courses	Mode of Training	No. of Hours / Days Spent
Teoh Boon Beng @ Teoh Eng Kuan		
Understanding Commercial Agreements – Loans, Sales of Shares and Joint Ventures Agreements	Seminar	4 hours
Avoiding Pitfalls in Contracts	Seminar	4 hours
Lee See Jin		
Understanding Commercial Agreements – Loans, Sales of Shares and Joint Ventures Agreements	Seminar	4 hours
Avoiding Pitfalls in Contracts	Seminar	4 hours
Lee Chong Choon		
Understanding Commercial Agreements – Loans, Sales of Shares and Joint Ventures Agreements	Seminar	4 hours
Avoiding Pitfalls in Contracts	Seminar	4 hours
Lim Han Nge		
Understanding Commercial Agreements – Loans, Sales of Shares and Joint Ventures Agreements	Seminar	4 hours
Avoiding Pitfalls in Contracts	Seminar	4 hours
Teoh Teik Toe		
Preparing Your 1st Quarterly Interim Financial Statements According to the Revised/New Financial Reporting Standards	Seminar	8 hours
Tan Hock Soon		
Understanding and Using Equity Index Futures and Option	Seminar	8 hours

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	1,504,011	45,400	Nil	1,609,411
Non-Executive Directors	120,000	Nil	Nil	8,000	128,000

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
Less than RM50,000	–	4
RM500,001 – RM550,000	1	–
RM1,100,001 – RM1,150,000	1	–

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

SHAREHOLDERS

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group. 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 21 of the annual report provides an overview of the state on internal controls within the Group.

Relationship with the Auditors

The Audit Committee maintains an appropriate relationship with the Group's auditors. The roles, authority and responsibilities of the Audit Committee are presented in the report set out on pages 18 to 20 of this annual report.

During the financial year 2006, the Independent Non-Executive Directors held a dialogue session with the external auditors on 28 June 2005 in compliance with the Best Practices of the Code.

The Group has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the relevant accounting standards. During the year, non-audit fee of RM62,153 was paid to the Group's external auditors as professional fees paid to them as tax agent.

This statement is made in accordance with a resolution of the Board of Directors dated 30 June 2006.

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate exercise during the financial year.

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 fee of RM62,153 was 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 2006.

PROFIT ESTIMATES, FORECAST AND PROJECTION

The Company did not issue any profit estimate, forecast or projection for the financial year ended 30 April 2006.

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 Group involving Directors’ and major shareholders’ interest during the financial year.

COMPOSITION

Chairman Tan Hock Soon
Independent Non-Executive Director

Members Lim Han Nge
Senior Independent Non-Executive Director
Lee Chong Choon
Executive Director

The Chairman of the Audit Committee ("AC") is a member of the Malaysian Institute of Accountants ("MIA") in accordance with the Listing Requirements of Bursa Securities.

Terms of Reference

The primary objective of the AC 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 Group's control environments and quality of the audits.

Functions

The duties of the AC 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 external 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 and Group'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 AC and the Board of Directors.

Authority

The AC is authorized 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 Group and have direct communications channels with the external and internal auditors.

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

Meetings

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

The AC met four times during the financial year 2006 and all the AC members attended all the four meetings. The other Directors who are not AC members, Financial Controller, internal auditors, external auditors and external advisors, upon invitation of the AC, attended the AC meetings to assist in its deliberations.

Activities of the AC during the financial year 2006

During the financial year ended 30 April 2006, the AC carried out the following activities in discharging its functions and duties in accordance with the terms of reference of the AC:

- reviewed the unaudited interim financial results of 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;
- ensuring compliance to the Listing Requirement of Bursa Securities, applicable accounting standards in Malaysia, provisions of the Companies Act, 1965 and other legal and regulatory requirements;
- reviewed the internal audit plan to ensure key risk areas were covered;
- reviewed the reports from the internal auditors to assess the state of the internal control system of the Group and to ensure that corrective actions were taken by management on audit findings;
- reviewed the statement of internal control;
- reviewed the related party transactions;
- reviewed the foreign currency transactions of the Group;
- reviewed with the external auditors, their audit planning memorandum, audit approach and reporting requirements prior to the commencement of audit work;
- reviewed with the external auditors, their audit findings and management letter together with the management response and approved for adoption their recommendations;
- reviewed the re-appointment and audit fees of the external auditors for the ensuing year.

Reports/Minutes

Minutes of each meeting are kept by the Company Secretary as evidence that the AC has discharged its functions. The Chairman of the AC will report to the Board after each AC meeting. The approved minutes of AC 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 AC. The function 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

In accordance with the Code, the Board has established an internal audit department ("IAD") to review the adequacy and integrity of its system of internal control on 19 December 2003.

The major role of IAD is to assist the AC in discharging its duties and responsibilities and provide independent and reasonable assurance that the systems of internal controls are adequate and effective.

During the financial year, IAD regularly conducted audits in the areas of risk management, credit control and finished goods inventory. The risk-based audits were carried out based on the selected risks which had been identified during the enterprise risk management ("ERM") assessment through verifying the compliance of the controls in each risk management unit ("RMU").

In addition, IAD also assisted and coordinated in the process of risk management such as coordinating the review of all risks and controls which were previously assessed by a professional firm in September 2003. The risks management reports were then presented to the AC during the quarterly meetings.

Finally, IAD also assisted the Managing Director during the meeting of each RMU.

This statement is made in accordance with the resolution of the Board of Directors dated 30 June 2006.

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

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

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

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

- The Board reviews quarterly reports from management on the key operating performance, legal, environmental and regulatory matters. Financial performance is also deliberated at the Board meetings.
- Executive members of the Board have day-to-day involvement in all aspects of the business and attend weekly and monthly management meetings attended by senior managers to deliberate on business, financial and operating issues which include reviewing and approving all key business strategic measures and policies.
- An enterprise risk management framework has been established and the Risk Management Committee ("RMC") has been formed to ensure that the risk management structure is embedded and consistently applied in the Group. The RMC will regularly review the principal risks faced by the Group and the status of management actions.
- The Managing Director heads the RMC and the risk register was reviewed and updated in March 2006. Currently there are eight RMU after the addition of a new RMU in the year 2006.
- An Internal Audit function has been established to assist the AC in discharging its duties and responsibilities.
- The Group has a clear organization structure and well defined lines of responsibility which provide a sound framework of authority and approving limits within the organization and to facilitate quality and timely corporate decisions.

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

This statement is made in accordance with the resolution of the Board of Directors dated 30 June 2006.

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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 2006, the Group has used the appropriate accounting policies and consistently applied and supported by reasonable prudent judgment and estimates and that measures have been taken to ensure that accounting records are properly kept in accordance with the law.

This statement is made in accordance with the resolution of the Board of Directors dated 30 June 2006.

Contents

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2006.

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	**20,854,030**	**20,909,839**
Minority interests	**65,630**	**–**
Net profit for the year	**20,919,660**	**20,909,839**

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 accounting policies as disclosed in Note 25 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 30 April 2005 was as follows:

	RM
In respect of the financial year ended 30 April 2005 as reported in the directors' report of that year:	
Final tax exempt dividend of approximately 19.23% paid on 14 October 2005	12,000,000
In respect of the financial year ended 30 April 2006 as reported in the directors' report of that year:	
Interim dividend of 16% less income tax of 28% payable on 25 May 2006	7,188,481
	19,188,481

At the forthcoming Annual General Meeting, a final tax exempt dividend of RM7,176,000 equivalent to 11.5% in respect of the financial year ended 30 April 2006, on 624,000,000 ordinary shares of RM0.10 each (1.15 sen 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 2007.

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 2005	**Bought**	**Sold**	**30 April 2006**
The Company				
Direct				
Lee See Jin	182,534,194	–	–	182,534,194
Lee Chong Choon	53,900,365	13,310,900	–	67,211,265
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 *	14,500,325	102,200	(11,232,000)	3,370,525
Teoh Boon Beng @ Teoh Eng Kuan **	25,531,068	300,000	–	25,831,068

DIRECTORS' INTERESTS (CONT'D)

* 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.

(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.

OTHER STATUTORY INFORMATION (CONT'D)

(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.

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: 9 August 2006

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 30 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 2006 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: 9 August 2006

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 30 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 9 August 2006 **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 30 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 2006 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: 9 August 2006

INCOME STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2006

	Note	GROUP 2006 RM	GROUP 2005 RM Restated	COMPANY 2006 RM	COMPANY 2005 RM
Revenue	3	**237,061,951**	216,462,754	**28,605,121**	17,717,393
Other operating income	4	**1,066,957**	1,745,540	**–**	–
Advertising and promotional expenses		**(4,953,568)**	(5,590,751)	**–**	–
Changes in inventories of finished goods and work-in-progress		**1,015,940**	1,023,444	**–**	–
Depreciation		**(18,114,987)**	(14,037,144)	**(132,617)**	(13,777)
Purchase of trading inventories		**(11,260,408)**	(7,982,162)	**–**	–
Raw materials and consumables used		**(86,200,532)**	(83,412,827)	**–**	–
Repairs and maintenance		**(6,875,834)**	(6,270,293)	**(132,838)**	(299,045)
Staff costs	5	**(40,899,510)**	(37,646,109)	**(3,855,558)**	(4,408,105)
Sundry wages		**(1,485,504)**	(1,271,116)	**(1,483)**	(5,281)
Transportation and freight charges		**(13,658,927)**	(11,529,457)	**–**	–
Utilities costs		**(14,989,306)**	(13,581,244)	**(37,221)**	(45,048)
Other operating expenses	7	**(12,346,261)**	(8,838,834)	**(674,321)**	(645,648)
Profit from operations		**28,360,011**	29,071,801	**23,771,083**	12,300,489
Finance income		**11,717**	4,202	**–**	–
Finance costs		**(2,702,433)**	(2,466,925)	**(3,110)**	(885)
Net finance costs	8	**(2,690,716)**	(2,462,723)	**(3,110)**	(885)
Profit before taxation		**25,669,295**	26,609,078	**23,767,973**	12,299,604
Taxation	9	**(4,815,265)**	(5,541,138)	**(2,858,134)**	(111,839)
Profit after taxation		**20,854,030**	21,067,940	**20,909,839**	12,187,765
Minority interests		**65,630**	(55,199)	**–**	–
Net profit for the year		**20,919,660**	21,012,741	**20,909,839**	12,187,765
Earnings per share (sen)	10	**3.35**	3.37		
Net dividend per share (sen)	11	**3.07**	1.92	**3.07**	1.92

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

BALANCE SHEETS
AS AT 30 APRIL 2006

	Note	GROUP 2006 RM	GROUP 2005 RM Restated	COMPANY 2006 RM	COMPANY 2005 RM
NON-CURRENT ASSETS					
Property, plant and equipment	12	**166,076,290**	172,639,976	**608,151**	579,985
Investments in subsidiaries	13	**–**	–	**96,190,689**	96,002,087
Other investments	14	**62,817**	62,817	**–**	–
Deferred tax assets	26	**362,331**	–	**–**	–
		166,501,438	172,702,793	**96,798,840**	96,582,072
CURRENT ASSETS					
Inventories	15	**30,041,613**	25,312,233	**–**	–
Trade receivables	16	**41,391,487**	37,708,207	**4,895,347**	5,022,949
Other receivables	17	**7,639,029**	7,013,147	**5,135,388**	235,691
Cash and bank balances		**11,700,957**	7,955,347	**42,341**	36,298
		90,773,086	77,988,934	**10,073,076**	5,294,938
CURRENT LIABILITIES					
Retirement benefit obligations	18	**22,485**	27,613	**–**	–
Borrowings	19	**59,309,701**	60,937,577	**–**	–
Dividend payable		**7,188,481**	–	**7,188,481**	–
Trade payables	20	**13,167,005**	11,963,439	**–**	–
Other payables	21	**16,538,621**	14,292,861	**10,999,341**	14,935,017
Tax payable		**42,978**	366	**–**	–
		96,269,271	87,221,856	**18,187,822**	14,935,017
NET CURRENT LIABILITIES		**(5,496,185)**	(9,232,922)	**(8,114,746)**	(9,640,079)
		161,005,253	163,469,871	**88,684,094**	86,941,993
FINANCED BY:					
Share capital	22	**62,400,000**	62,400,000	**62,400,000**	62,400,000
Other reserves	23	**7,864,401**	7,863,232	**24,972,543**	24,972,543
Retained profits/(accumulated losses)	24	**71,695,738**	69,965,728	**1,290,808**	(430,550)
Shareholders' equity		**141,960,139**	140,228,960	**88,663,351**	86,941,993
Minority interests		**504,496**	738,126	**–**	–
		142,464,635	140,967,086	**88,663,351**	86,941,993
Borrowings	19	**1,643,643**	5,359,387	**–**	–
Deferred tax liabilities	26	**16,196,906**	16,494,587	**20,743**	–
Retirement benefit obligations	18	**605,927**	529,690	**–**	–
Reserve on consolidation	27	**94,142**	119,121	**–**	–
		161,005,253	163,469,871	**88,684,094**	86,941,993

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2006

GROUP	Note	Share Capital RM	Non-Distributable Revaluation Reserves RM	Distributable Retained Profits RM	Total RM
At 1 May 2004		62,400,000	7,863,232	60,952,987	131,216,219
Net profit for the year (as restated)		–	–	21,012,741	21,012,741
Dividends	11	–	–	(12,000,000)	(12,000,000)
At 30 April 2005		62,400,000	7,863,232	69,965,728	140,228,960
At 1 May 2004					
As previously stated		62,400,000	7,863,232	77,398,573	147,661,805
Prior year adjustment	25	–	–	(7,432,845)	(7,432,845)
At 1 May 2005 (as restated)		62,400,000	7,863,232	69,965,728	140,228,960
Realisation of revaluation reserve		–	1,169	(1,169)	–
Net profit for the year		–	–	20,919,660	20,919,660
Dividends	11	–	–	(19,188,481)	(19,188,481)
At 30 April 2006		**62,400,000**	**7,864,401**	**71,695,738**	**141,960,139**

COMPANY	Note	Share Capital RM	Non-Distributable Revaluation Reserve RM	Accumulated Losses RM	Total RM
At 1 May 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
Net profit for the year		–	–	20,909,839	20,909,839
Dividends	11	–	–	(19,188,481)	(19,188,481)
At 30 April 2006		**62,400,000**	**24,972,543**	**1,290,808**	**88,663,351**

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

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**25,669,295**	26,609,078	**23,767,973**	12,299,604
Adjustments for:				
Amortisation of goodwill	**1,445**	1,445	**–**	–
Amortisation of reserve on consolidation	**(26,424)**	(26,424)	**–**	–
Bad debts written off	**186,128**	165,846	**–**	–
Depreciation	**18,114,987**	14,037,144	**132,617**	13,777
Dividend income	**–**	–	**(23,830,925)**	(12,694,444)
Gain on disposal of plant and equipment	**(628,419)**	(28,999)	**–**	–
Impairment loss on investment in golf club membership	**–**	21,185	**–**	–
Interest expense	**2,402,359**	2,123,301	**–**	–
Interest income	**(11,717)**	(4,202)	**–**	–
Inventories written down to net realisable value	**39,209**	7,929	**–**	–
Plant and equipment written off	**35,391**	142,349	**–**	–
Provision for doubtful debts	**538,116**	386,994	**–**	–
Impairment of plant and equipment	**–**	12,519	**–**	–
Short term accumulating compensated absences	**68,619**	4,951	**687**	–
Provision for retirement benefits	**104,141**	154,312	**–**	–
Unrealised foreign exchange loss/(gain)	**242,779**	(102,737)	**7,374**	–
Operating profit/(loss) before working capital changes	**46,735,909**	43,504,691	**77,726**	(381,063)
(Increase)/decrease in receivables	**(4,691,084)**	(4,702,666)	**315,768**	(5,032,284)
Increase in inventories	**(4,768,589)**	(2,684,957)	**–**	–
Increase/(decrease) in payables	**3,198,569**	(488,424)	**117,598**	1,101,760
Decrease in retirement benefits obligations	**(33,032)**	(68,324)	**–**	–
Cash generated from/(used in) operations	**40,441,773**	35,560,320	**511,092**	(4,311,587)
Tax paid	**(5,954,172)**	(5,305,803)	**(226,605)**	(194,444)
Interest paid	**(2,402,359)**	(2,123,301)	**–**	–
Net cash generated from/(used in) operating activities	**32,085,242**	28,131,216	**284,487**	(4,506,031)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note A)	**(15,425,117)**	(45,514,747)	**(160,783)**	(593,762)
Interest received	**11,717**	4,202	**–**	–
Acquisition of subsidiaries	**–**	(3,996)	**–**	(4,000)
Late charges income earned from disposal of land	**53,080**	–	**–**	–
Purchase of additional shares in subsidiaries	**–**	–	**(188,602)**	(2,460,450)
Payment of real property gains tax, commission,legal fees and other expenses incurred for the disposal of land	**(170,420)**	–	**–**	–
Purchase of a subsidiary from a subsidiary	**–**	–	**–**	(4,648,410)
Proceeds from disposal of property, plant and equipment	**4,584,185**	37,000	**–**	–
Dividend received	**–**	–	**1,830,925**	12,694,444
Net change in related companies balances	**–**	–	**10,240,016**	11,538,512
Net cash (used in)/generated from investing activities	**(10,946,555)**	(45,477,541)	**11,721,556**	16,526,334

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**(12,000,000)**	(12,000,000)	**(12,000,000)**	(12,000,000)
Net change in bank borrowings	**(1,185,000)**	26,115,000	**–**	–
Repayment of hire-purchase balances	**–**	(77,041)	**–**	–
Repayment of term loans	**(5,438,620)**	(4,597,661)	**–**	–
Drawdown of term loans	**1,280,000**	7,770,580	**–**	–
Net cash (used in)/generated from financing activities	**(17,343,620)**	17,210,878	**(12,000,000)**	(12,000,000)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**3,795,067**	(135,447)	**6,043**	20,303
EFFECTS OF EXCHANGE RATE CHANGES	**(49,457)**	(29,834)	**–**	–
CASH AND CASH EQUIVALENTS AS AT 1 MAY	**7,955,347**	8,120,628	**36,298**	15,995
CASH AND CASH EQUIVALENTS AS AT 30 APRIL (Note B)	**11,700,957**	7,955,347	**42,341**	36,298

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 RM15,425,117 (2005: RM45,545,747) and RM160,783 (2005: RM593,762) respectively by the following means:

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
Cash payments	**15,425,117**	45,514,747	**160,783**	593,762
Trade in	**–**	31,000	**–**	–
	15,425,117	45,545,747	**160,783**	593,762

B. Cash and cash equivalents comprise

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
Cash on hand and at banks	**11,651,500**	7,925,513	**42,341**	36,298
Effects of exchange rate changes on cash and cash equivalents	**49,457**	29,834	**–**	–
	11,700,957	7,955,347	**42,341**	36,298

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 9 August 2006.

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 Logistics Sdn. Bhd., Nibong Tebal IT Sdn. Bhd., Nibong Tebal Technology 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%

(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).

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Employee Benefits (cont'd)

iii. Defined benefit plans (cont'd)

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:

	2006	2005
	RM	RM
United States Dollar (USD)	**3.6220**	3.8000
Singapore Dollar (SGD)	**2.2893**	2.3135
Japanese Yen (JPY)	**0.0312**	0.0360
Euro Dollar (EURO)	**4.5465**	4.9015
Thai Baht (THB)	**0.0966**	0.0959

(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	
	2006	2005	2006	2005
	RM	RM	RM	RM
Sales of paper products such as toilet rolls, tissues, serviette; cotton products; diapers; sanitary products and mineral water	**237,054,180**	216,457,060	**–**	–
Printing of operating manuals, journals and packaging materials	**7,771**	5,694	**–**	–
Management fee	**–**	–	**4,774,196**	5,022,949
Dividend income from a subsidiary	**–**	–	**23,830,925**	12,694,444
	237,061,951	216,462,754	**28,605,121**	17,717,393

4. OTHER OPERATING INCOME

Included in other operating income are:

	GROUP	
	2006	**2005**
	RM	**RM**
Amortisation of reserve on consolidation	**26,424**	26,424
Bad debts recovered	**2,853**	423,814
Gain on disposal of plant and equipment	**628,419**	28,999
Realised foreign exchange gain	**121,957**	907,741
Rental income	**9,708**	31,342
Unrealised foreign exchange gain	**–**	102,737

5. STAFF COSTS

	GROUP		COMPANY	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
Wages and salaries	**31,044,787**	27,692,598	**1,205,184**	1,364,659
Directors' remuneration (Note 6)	**3,033,240**	2,544,119	**2,294,308**	2,055,663
Social security costs	**428,561**	362,134	**15,992**	16,671
Short term accumulating compensated absences	**720,209**	1,037,943	**4,951**	217,804
Pension costs - defined contribution plans	**3,405,688**	3,067,198	**173,885**	192,550
Pension costs - defined benefit plan (Note 18)	**104,141**	154,312	**–**	–
Other staff related expenses	**2,162,884**	2,787,805	**161,238**	560,758
	40,899,510	37,646,109	**3,855,558**	4,408,105

The number of employees in the Group and the Company at the end of the financial year were 1,606 (2005: 1,498) and 41 (2005: 46) respectively.

6. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
Executive:				
Salaries and other emoluments	**952,728**	942,340	**952,728**	942,340
Fee	**60,000**	60,000	**60,000**	60,000
Bonus				
– current year provision	**456,120**	349,757	**456,120**	349,757
– under provision in prior year	**95,163**	104,992	**95,163**	–
Benefits-in-kind	**45,400**	28,808	**25,250**	2,333
	1,609,411	1,485,897	**1,589,261**	1,354,430
Non-executive:				
Fee	**120,000**	120,000	**120,000**	120,000
Allowance	**8,000**	7,500	**8,000**	7,500
	128,000	127,500	**128,000**	127,500

6. DIRECTORS' REMUNERATION (CONT'D)

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
Other Directors				
Executive:				
Salaries and other emoluments	**850,580**	839,924	**533,507**	504,056
Fees	**42,566**	42,768	**–**	–
Bonus				
– current year provision	**574,679**	199,510	**203,986**	199,510
– under/(over) provision in prior year	**1,404**	4,828	**(7,196)**	–
Benefits-in-kind	**9,300**	12,800	**–**	–
	1,478,529	1,099,830	**730,297**	703,566
Non-executive:				
Fee	**18,217**	–	**–**	–
Total	**3,234,157**	2,713,227	**2,447,558**	2,185,496
Analysis:				
Total for executive directors' remuneration (Note 5)	**3,033,240**	2,544,119	**2,294,308**	2,055,663
Total for non-executive directors' remuneration (Note 7)	**146,217**	127,500	**128,000**	127,500
Grand total excluding benefits-in-kind	**3,179,457**	2,671,619	**2,422,308**	2,183,163
Benefits-in-kind	**54,700**	41,608	**25,250**	2,333
Grand total including benefits-in-kind	**3,234,157**	2,713,227	**2,447,558**	2,185,496

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	
	2006	2005
Executive directors:		
RM500,001 - RM550,000	**1**	1
RM950,001 - RM1,000,000	**–**	1
RM1,100,001 - RM1,150,000	**1**	–
Non-Executive directors:		
Below RM50,000	**4**	4

7. OTHER OPERATING EXPENSES

Included in other operating expenses are:

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
Auditors' remuneration				
– statutory audit				
– current year	**151,094**	123,199	**25,200**	25,200
– under provision in prior years	**2,981**	4,937	**1,981**	–
– other services	**62,153**	71,291	**41,285**	40,485
Amortisation of goodwill	**1,445**	1,445	**–**	–
Bad debts written off	**186,128**	165,846	**–**	–
Non-executive directors' remuneration (Note 6)	**146,217**	127,500	**128,000**	127,500

7. OTHER OPERATING EXPENSES (CONT'D)

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
Impairment of plant and equipment	–	12,519	–	–
Impairment loss on investment in golf clubmembership	–	21,185	–	–
Inventories written down to net realisable value	39,209	7,929	–	–
Plant and equipment written off	35,391	142,349	–	–
Unrealised foreign exchange loss	242,779	–	7,374	–
Realised foreign exchange loss	35	–	35	–
Tax penalty	1,596,315	–	–	–
Provision for doubtful debts	538,116	386,994	–	–
Rental expense	668,445	680,887	60,000	60,000

8. NET FINANCE COSTS

Included in net finance costs are:

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
Interest expense	2,402,359	2,123,301	–	–
Interest income from deposits	(11,717)	(4,202)	–	–

9. TAXATION

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
		Restated		
Income tax:				
Malaysian income tax	4,447,849	1,399,150	2,828,898	111,839
Foreign tax	10,831	–	–	–
	4,458,680	1,399,150	2,828,898	111,839
Under/(over) provided in prior years:				
Malaysian income tax	1,016,240	(19,237)	8,493	–
	5,474,920	1,379,913	2,837,391	111,839
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	(699,978)	3,891,603	20,743	–
Under provided in prior years	40,323	269,622	–	–
	(659,655)	4,161,225	20,743	–
	4,815,265	5,541,138	2,858,134	111,839

Income tax is calculated at the statutory tax rate of 28% (2005: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. TAXATION (CONT'D)

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:

	2006 RM	2005 RM As restated
GROUP		
Profit before taxation	**25,669,295**	26,609,078
Taxation at Malaysian statutory tax rate of 28% (2005: 28%)	**7,187,403**	7,450,542
Tax savings of 8% for first RM500,000 (2005: RM500,000) of chargeable income	**(40,758)**	(51,037)
Effect of different tax rates in other countries	**(7,291)**	(1,578)
Effect of expenses not deductible for tax purposes	**878,346**	140,110
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(134,331)**	(58,273)
Income not subject to tax	**(89,118)**	(208,826)
Deferred tax assets not recognised during the year	**201,216**	15,468
Reinvestment allowance claimed during the year	**(4,236,765)**	(1,995,653)
Under/(over) provision of income tax in prior years	**1,016,240**	(19,237)
Under provision of deferred tax in prior years	**40,323**	269,622
Tax expense for the year	**4,815,265**	5,541,138
COMPANY		
Profit before taxation	**23,767,973**	12,299,604
Taxation at Malaysian statutory tax rate of 28% (2005: 28%)	**6,655,032**	3,443,889
Effect of expenses not deductible for tax purposes	**67,268**	26,510
Deferred tax assets not recognised during the year	**–**	1,440
Income not subject to tax	**(3,872,659)**	(3,360,000)
Underprovision of income tax in prior years	**8,493**	–
Tax expense for the year	**2,858,134**	111,839

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 2006	GROUP 2005 Restated
Net profit for the year (RM)	**20,919,660**	21,012,741
Number of ordinary shares in issue	**624,000,000**	624,000,000
Basic earnings per share (sen)	**3.35**	3.37

11. DIVIDENDS

	Amount		Net dividend per share	
	2006	2005	2006	2005
	RM	RM	Sen	Sen
In respect of the financial year ended 30 April 2006:				
Interim dividend of 16% less income tax of 28% payable on 25 May 2006	**7,188,481**	–	**1.15**	–
In respect of the financial year ended 30 April 2005:				
Final tax exempt dividend of approximately 19.23%, paid on 14 October 2005	**12,000,000**	–	**1.92**	–
In respect of the financial year ended 30 April 2004:				
Final tax exempt dividend of approximately 19.23% paid on 15 October 2004	**–**	12,000,000	**–**	1.92
	19,188,481	12,000,000	**3.07**	1.92

At the forthcoming Annual General Meeting, a final tax exempt dividend of RM7,176,000 equivalent to 11.5% in respect of the financial year ended 30 April 2006, on 624,000,000 ordinary shares of RM0.10 each (1.15 sen 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 2007.

12. PROPERTY, PLANT AND EQUIPMENT

GROUP	* Land and buildings	Capital work-in-progress	Plant and machinery and electrical installations	Motor vehicles	Furniture, fittings, renovation, air conditioners, and office equipment	Total
	RM	RM	RM	RM	RM	RM
Cost/Valuation						
At 1 May 2005	58,765,006	8,106,024	195,851,068	16,096,987	6,838,112	285,657,197
Additions	1,054,572	10,827,243	707,629	2,477,467	358,206	15,425,117
Disposals/Write offs	(3,741,031)	(27,157)	(290,972)	(834,500)	(24,854)	(4,918,514)
Reclassification	4,584,819	(8,327,291)	3,742,472	–	–	–
At 30 April 2006	**60,663,366**	**10,578,819**	**200,010,197**	**17,739,954**	**7,171,464**	**296,163,800**
Representing:						
At cost	**21,592,366**	**10,578,819**	**200,010,197**	**17,739,954**	**7,171,464**	**257,092,800**
At valuation	**39,071,000**	**–**	**–**	**–**	**–**	**39,071,000**
	60,663,366	**10,578,819**	**200,010,197**	**17,739,954**	**7,171,464**	**296,163,800**

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
Accumulated Depreciation and Impairment Losses						
At 1 May 2005:						
Accumulated depreciation	2,155,315	–	94,729,578	11,320,385	4,799,424	113,004,702
Accumulated impairment losses	–	–	12,519	–	–	12,519
	2,155,315	–	94,742,097	11,320,385	4,799,424	113,017,221
Depreciation charge for the year	740,803	–	14,860,955	1,788,236	724,993	18,114,987
Disposals/write offs	–	–	(190,895)	(829,170)	(24,633)	(1,044,698)
At 30 April 2006	2,896,118	–	109,412,157	12,279,451	5,499,784	130,087,510
Representing:						
At cost	**566,718**	**–**	**109,412,157**	**12,279,451**	**5,499,784**	**127,758,110**
At valuation	**2,329,400**	**–**	**–**	**–**	**–**	**2,329,400**
	2,896,118	**–**	**109,412,157**	**12,279,451**	**5,499,784**	**130,087,510**
Analysed as:						
Accumulated depreciation	2,896,118	–	109,399,638	12,279,451	5,499,784	130,074,991
Accumulated impairment losses	–	–	12,519	–	–	12,519
	2,896,118	**–**	**109,412,157**	**12,279,451**	**5,499,784**	**130,087,510**
Net Book Value						
At 30 April 2006						
At cost	**21,025,648**	**10,578,819**	**90,598,040**	**5,460,503**	**1,671,680**	**129,334,690**
At valuation	**36,741,600**	**–**	**–**	**–**	**–**	**36,741,600**
	57,767,248	**10,578,819**	**90,598,040**	**5,460,503**	**1,671,680**	**166,076,290**
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
Details at 1 May 2004						
Cost	17,951,872	22,450,704	144,193,478	13,329,302	6,228,518	204,153,874
Valuation	39,294,000	–	–	–	–	39,294,000
Accumulated depreciation	1,469,189	–	87,777,207	10,003,935	2,872,301	102,122,632
Depreciation charge for 2005	686,126	–	10,002,360	1,388,467	1,960,191	14,037,144

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

*** 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 2005	34,368,078	616,000	350,000	23,430,928	58,765,006
Additions	1,124,943	–	–	4,514,448	5,639,391
Disposal	(3,741,031)	–	–	–	(3,741,031)
At 30 April 2006	**31,751,990**	**616,000**	**350,000**	**27,945,376**	**60,663,366**
Representing:					
At cost	**6,976,990**	**–**	**–**	**14,615,376**	**21,592,366**
At valuation	**24,775,000**	**616,000**	**350,000**	**13,330,000**	**39,071,000**
	31,751,990	**616,000**	**350,000**	**27,945,376**	**60,663,366**
Accumulated Depreciation					
At 1 May 2005	–	38,221	28,037	2,089,057	2,155,315
Depreciation charge for the year	–	10,620	8,400	721,783	740,803
At 30 April 2006	**–**	**48,841**	**36,437**	**2,810,840**	**2,896,118**
Representing:					
At cost	**–**	**–**	**–**	**566,718**	**566,718**
At valuation	**–**	**48,841**	**36,437**	**2,244,122**	**2,329,400**
	–	**48,841**	**36,437**	**2,810,840**	**2,896,118**
At 30 April 2006					
At cost	**6,976,990**	**–**	**–**	**14,048,658**	**21,025,648**
At valuation	**24,775,000**	**567,159**	**313,563**	**11,085,878**	**36,741,600**
	31,751,990	**567,159**	**313,563**	**25,134,536**	**57,767,248**
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
Details at 1 May 2004					
Cost	9,370,078	–	–	8,581,794	17,951,872
Valuation	24,998,000	616,000	350,000	13,330,000	39,294,000
Accumulated depreciation	–	27,600	19,637	1,421,952	1,469,189
Depreciation charge for 2005	–	10,621	8,400	667,105	686,126

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

COMPANY	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, and office equipment RM	Total RM
Cost			
At 1 May 2005	568,041	25,721	593,762
Additions	149,946	10,837	160,783
At 30 April 2006	**717,987**	**36,558**	**754,545**
Accumulated Depreciation			
At 1 May 2005	9,467	4,310	13,777
Depreciation charge for the year	123,605	9,012	132,617
At 30 April 2006	**133,072**	**13,322**	**146,394**
Net Book Value			
At 30 April 2006	**584,915**	**23,236**	**608,151**
At 30 April 2005	558,574	21,411	579,985
Depreciation charge for 2005	9,467	4,310	13,777

(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.

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

Details of the latest independent professional valuation of properties owned by the Group as at 30 April 2006 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 Seberang Perai Selatan, Penang	2,955,000	Comparison method
19 September 2001	Leasehold industrial land at Seberang Perai Tengah, Penang	616,000	Comparison method
		39,071,000	

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	
	2006 RM	2005 RM
Freehold land	**6,136,779**	6,359,779
Long term leasehold land	**805,629**	820,548
Short term leasehold land	**129,560**	132,800
Buildings	**9,544,642**	9,952,937
	16,616,610	17,266,064

(b) Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing RM69,023,397 (2005: RM54,407,103).

(c) The carrying amount of temporarily idle assets of the Group amounted to RM9,641,443 (2005: RM16,632,551).

(d) Included in property, plant and equipment of the Group are motor vehicles with carrying values amounting to RM35,930 (2005: RM57,035) and Nil (2005: RM6,572) which are held in trust by third parties and related parties respectively.

(e) 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 Nil (2005: RM4,356,000).

13. INVESTMENTS IN SUBSIDIARIES

	COMPANY 2006 RM	2005 RM
Unquoted shares:		
At valuation	**88,930,283**	88,930,283
At cost	**7,260,406**	7,071,804
	96,190,689	96,002,087

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

Name of Subsidiaries	Equity interest held 2006 %	2005 %	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
Nibong Tebal IT Sdn. Bhd.	**100.00**	100.00	Carrying out information technology related businesses	Malaysia
Nibong Tebal Technology Sdn. Bhd.	**100.00**	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**	100.00	Importers and dealers in all kinds of paper products, tissue papers, toilet rolls, paper towels and general merchandise	Thailand
NTPM (Singapore) 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 Nibong Tebal 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.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Investment in subsidiaries

During the financial year, the Group subscribed for 188,602 ordinary shares of RM1.00 each in the share capital of Nibong Tebal IT Sdn. Bhd. .

14. OTHER INVESTMENTS

	GROUP	
	2006	2005
	RM	RM
Membership in golf club, at cost	**66,185**	66,185
Impairment loss	**(21,185)**	(21,185)
	45,000	45,000
Unquoted shares, at cost	**17,817**	17,817
	62,817	62,817

15. INVENTORIES

	GROUP	
	2006	2005
	RM	RM
Cost:		
Computer parts and accessories	**24,420**	–
Raw materials	**18,213,129**	14,470,624
Work-in-progress	**2,142,501**	1,433,410
Finished goods	**3,849,241**	3,001,268
Trading goods	**5,812,322**	6,406,931
	30,041,613	25,312,233

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM165,508,720 (2005: RM141,188,540).

16. TRADE RECEIVABLES

	GROUP		COMPANY	
	2006	2005	2006	2005
	RM	RM	RM	RM
Due from subsidiaries	**–**	–	**4,895,347**	5,022,949
Trade receivables	**43,844,621**	39,664,952	**–**	–
Provision for doubtful debts	**(2,453,134)**	(1,956,745)	**–**	–
	41,391,487	37,708,207	**4,895,347**	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	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
Dividend receivable from a subsidiary	**–**	–	**4,000,000**	–
Advances to subsidiaries	**–**	–	**908,955**	2,932
Deposits for purchase of property, plant and equipment and raw materials	**589,986**	623,487	**–**	–
Sundry deposits and prepayments	**1,457,905**	1,124,645	**–**	7,528
Sundry receivables	**950,800**	1,073,233	**33,659**	140,819
Staff advances	**213,444**	265,846	**3,560**	1,807
Tax refundable	**4,732,988**	4,221,232	**189,214**	82,605
	7,945,123	7,308,443	**5,135,388**	235,691
Provision for doubtful debts	**(306,094)**	(295,296)	**–**	–
	7,639,029	7,013,147	**5,135,388**	235,691

The dividend receivable from a subsidiary is the dividend receivable from Nibong Tebal Enterprise Sendirian Berhad.

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

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. RETIREMENT BENEFIT OBLIGATIONS

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. 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	
	2006	**2005**
	RM	**RM**
Current	**22,485**	27,613
Non-current	**605,927**	529,690
	628,412	557,303

The amounts recognised in the income statement are as follows:

	GROUP	
	2006	**2005**
	RM	**RM**
Current service cost	**65,028**	99,517
Interest cost	**39,113**	54,795
Total, included in staff costs (Note 5)	**104,141**	154,312

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	GROUP	
	2006 RM	2005 RM
At 1 May	**557,303**	471,315
Amounts recognised in the income statement (Note 5)	**104,141**	154,312
Contributions paid	**(33,032)**	(68,324)
At 30 April	**628,412**	557,303

Principal actuarial assumptions used:

	GROUP	
	2006 %	2005 %
Discount rate	**7.00**	7.00
Expected rate of salary increases	**7.00**	7.00

19. BORROWINGS

	GROUP	
	2006	2005
Short Term Borrowings	RM	RM
Secured:		
Bankers' acceptance	**37,250,000**	44,178,000
Export credit refinancing	**17,107,000**	11,364,000
Term loans	**4,952,701**	5,395,577
	59,309,701	60,937,577
Long Term Borrowings		
Secured:		
Term loans	**1,643,643**	5,359,387
Total Borrowings		
Bankers' acceptance	**37,250,000**	44,178,000
Export credit refinancing	**17,107,000**	11,364,000
Term loans	**6,596,344**	10,754,964
	60,953,344	66,296,964
Maturity of borrowings		
Within 1 year	**59,309,701**	60,937,577
More than 1 year and less than 2 years	**1,171,080**	4,546,515
More than 2 years and less than 5 years	**472,563**	812,872
	60,953,344	66,296,964

19. BORROWINGS (CONT'D)

The effective interest rates per annum as at balance sheet date for borrowings are as follows:

	2006 %	2005 %
Bankers' acceptance	**3.46 – 4.15**	3.03 – 3.21
Export credit refinancing	**2.90 – 3.45**	2.90 – 3.00
Term loans	**5.00 – 6.50**	6.10 – 6.25

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

- Corporate guarantee from the Company for RM110,850,000 (2005: RM104,150,000); 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 (2005: RM15,500,000); and
- Negative pledge over the assets of a subsidiary.

20. TRADE PAYABLES

	GROUP	
	2006 RM	2005 RM
Trade payables	**13,167,005**	11,963,439

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

21. OTHER PAYABLES

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Due to directors	**700,504**	23,347	**135,708**	–
Due to subsidiaries	**–**	–	**9,601,391**	13,655,352
Accrual for payroll related expenses	**5,481,335**	5,037,076	**1,148,776**	1,127,881
Indirect taxes and other statutory payables	**2,509,651**	2,383,005	**39,475**	43,602
Accruals of expenses	**2,517,145**	2,592,548	**73,991**	108,182
Other payables	**5,329,986**	4,256,885	**–**	–
	16,538,621	14,292,861	**10,999,341**	14,935,017

The amounts due to directors represent advances from the directors of the Company and subsidiaries, of RM161,810 (2005: RM23,347), dividend payable to directors of a subsidiary of RM168,000 (2005: Nil) and bonus payable to directors of a subsidiary of RM370,694 (2005: Nil). 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.

22. SHARE CAPITAL

	Number of Ordinary Shares of RM0.10 Each		Amount	
	2006	2005	2006 RM	2005 RM
Authorised:				
At 1 May 2005 and 30 April 2006	**2,500,000,000**	2,500,000,000	**250,000,000**	250,000,000
Issued and fully paid:				
At 1 May 2005 and 30 April 2006	**624,000,000**	624,000,000	**62,400,000**	62,400,000

23. OTHER RESERVES

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Non-Distributable				
Revaluation reserves:				
Properties	**7,864,401**	7,863,232	**–**	–
Investments in subsidiaries	**–**	–	**24,972,543**	24,972,543
	7,864,401	7,863,232	**24,972,543**	24,972,543

24. RETAINED PROFITS

The Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 and the balance in the tax-exempt income account to frank the payment of dividends out of its entire retained profits as at 30 April 2006.

25. CHANGES IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS

In prior years, the Group and the Company recognised deferred tax assets on unused reinvestment allowances as required by FRS 112 Income Taxes. During the current year, the Group and the Company changed its accounting policy and accordingly, deferred tax assets on unused reinvestment allowances are no longer recognised.

The change in accounting policy has been applied retrospectively and comparatives have been restated. The effects of the change in accounting policy are as follows:

	2005	
Group	As Previously Stated RM	As Restated RM
Income statement:		
Net profit for the year	28,445,586	21,012,741
Basic earnings per share	4.56	3.37
Balance sheet:		
Retained earnings	77,398,573	69,965,728
Deferred taxation	9,061,742	16,494,587

26. DEFERRED TAX ASSETS / LIABILITIES

	GROUP 2006 RM	GROUP 2005 RM Restated
At 1 May	**16,494,587**	12,332,067
Recognised in the income statement (Note 9)	**(659,655)**	4,161,225
	15,834,932	16,493,292
Exchange differences	**(357)**	1,295
At 30 April	**15,834,575**	16,494,587
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(362,331)**	–
Deferred tax liabilities	**16,196,906**	16,494,587
	15,834,575	16,494,587

	COMPANY 2006 RM	COMPANY 2005 RM
At 1 May	**–**	–
Recognised in the income statement (Note 9)	**20,743**	–
At 30 April	**20,743**	–
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	**20,743**	–

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	Unused Tax Losses and Unabsorbed Capital Allowances RM	Other Payables RM	Others RM	Total RM
At 1 May 2005	(156,045)	(111,387)	(605,950)	(236,238)	(1,109,620)
Recognised in the income statement	(19,910)	(25,653)	(194,218)	(12,770)	(252,551)
At 30 April 2006	**(175,955)**	**(137,040)**	**(800,168)**	**(249,008)**	**(1,362,171)**
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)
Prior year adjustment	–	7,432,845	–	–	7,432,845
At 1 May 2005 (as restated)	(156,045)	(111,387)	(605,950)	(236,238)	(1,109,620)

26. DEFERRED TAX ASSETS / LIABILITIES (CONT'D)

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM	Revaluation of Properties RM	Others RM	Total RM
At 1 May 2005	16,124,450	1,479,553	204	17,604,207
Recognised in the income statement	(378,728)	(29,240)	864	(407,104)
Exchange differences	(357)	–	–	(357)
At 30 April 2006	**15,745,365**	**1,450,313**	**1,068**	**17,196,746**
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

Deferred Tax Liabilities of the Company:

	Accelerated Capital Allowances RM
At 1 May 2005	–
Recognised in the income statement	20,743
At 30 April 2006	**20,743**

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

	GROUP 2006 RM	2005 RM
Unused tax losses	**395,525**	120,439
Unabsorbed capital allowances	**1,045,803**	63,092
	1,441,328	183,531

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.

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the subsidiaries in the Group are subject to no substantial changes in shareholdings of the subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967.

In addition, the Group has unused reinvestment allowances amounting to RM14,241,139 (2005 : RM7,432, 845) which can be used to offset against future taxable profit.

27. RESERVE ON CONSOLIDATION

	GROUP	
	2006	2005
	RM	RM
Reserve on consolidation	**264,239**	264,239
Accumulated amortisation	**(158,544)**	(132,120)
	105,695	132,119
Goodwill on consolidation	**14,443**	14,443
Accumulated amortisation	**(2,890)**	(1,445)
	11,553	12,998
	94,142	119,121

28. COMMITMENTS

	GROUP	
	2006	2005
	RM	RM
Capital expenditure:		
Approved and contracted for:		
Land and buildings	**981,484**	914,904
Plant and machinery	**2,746,340**	2,676,805
Motor vehicles	**–**	394,500
Spare parts	**753,622**	–
	4,481,446	3,986,209
Operating lease commitments payable:		
Not later than 1 year	**697,751**	294,351
Later than 1 year and not later than 5 years	**352,824**	207,380
	1,050,575	501,731

29. CONTINGENT LIABILITIES (UNSECURED)

	COMPANY	
	2006	2005
	RM	RM
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	**60,953,344**	66,296,964

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

	COMPANY	
	2006	2005
	RM	RM
Management fee from subsidiaries	**4,774,196**	5,022,949
Dividend income from subsidiaries	**23,830,925**	12,694,444

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. 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.

(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 2006:	Net Financial Assets/(Financial Liabilities) Held in Non-Functional Currency					
Functional Currency of the Group	**United States Dollar**	**Singapore Dollar**	**Euro**	**Australian Dollar**	**Thai Baht**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Trade Receivables						
Ringgit Malaysia	**4,281,471**	–	–	**843**	**121,375**	**4,403,689**

31. FINANCIAL INSTRUMENTS (CONT'D)

(e) Foreign Exchange Risk (cont'd)

At 30 April 2006: ← Net Financial Assets/(Financial Liabilities) Held in Non-Functional Currency →

Functional Currency of the Group	United States Dollar RM	Singapore Dollar RM	Euro RM	Australian Dollar RM	Thai Baht RM	Total RM
Cash and Bank Balances						
Ringgit Malaysia	**670,361**	**22,996**	**–**	**–**	**–**	**693,357**
Singapore Dollar	**109,650**	**–**	**–**	**–**	**–**	**109,650**
	780,011	**22,996**	**–**	**–**	**–**	**803,007**
Trade Payables						
Ringgit Malaysia	**–**	**574,401**	**–**	**–**	**–**	**574,401**
Other Payables						
Ringgit Malaysia	**221,138**	**128,918**	**131,746**	**–**	**–**	**481,802**

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 RM	Total RM
Trade Receivables					
Ringgit Malaysia	4,815,875	–	–	–	4,815,875
Other Receivables					
Ringgit Malaysia	101,929	–	–	–	101,929
Cash and Bank Balances					
Ringgit Malaysia	524,910	119,454	–	–	644,364
Singapore Dollar	310,418	–	–	–	310,418
Trade Payables					
Ringgit Malaysia	210,313	178,595	–	11,364	400,272
Other Payables					
Ringgit Malaysia	5,844	236,683	–	7,942	250,469

31. FINANCIAL INSTRUMENTS (CONT'D)

(e) Foreign Exchange Risk (cont'd)

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 2006:					
Trade receivables	Singapore Dollar	**3,580,000**	**8,172,204**	**2.2827**	**8,176,720**
Trade receivables	US Dollar	**128,000**	**465,920**	**3.6400**	**463,360**
Trade payables	US Dollar #	**50,000**	**184,440**	**3.6888**	**181,500**
Other payables	Euro #	**58,302**	**261,572**	**4.4865**	**267,373**
Other payables	GBP #	**53,925**	**349,921**	**6.4890**	**357,524**
At 30 April 2005:					
Trade receivables	Singapore Dollar	2,950,000	6,857,180	2.3245	6,750,780
Trade receivables	Australia Dollar	1,084,000	3,184,184	2.9374	3,164,413

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

(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:

		GROUP		COMPANY	
	Note	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Assets					
At 30 April 2006:					
Amounts due from subsidiaries	16,17	**9,804,302**	**∏**	**–**	**–**
Other investments	14	**–**	**–**	**62,817**	*****
At 30 April 2005:					
Amounts due from subsidiaries	16,17	5,025,881	∏	–	–
Other investments	14	–	–	62,817	*
Financial Liabilities					
At 30 April 2006:					
Term loans	19	**1,643,643**	**1,534,265**	**–**	**–**
Amounts due to directors	21	**700,504**	**∏**	**135,708**	**∏**
Amounts due to subsidiaries	21	**–**	**–**	**9,601,391**	**∏**
At 30 April 2005:					
Term loans	19	5,359,587	4,611,518	–	–
Amounts due to directors	21	23,347	∏	–	–
Amounts due to subsidiaries	21	–	–	13,655,352	∏

* 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.

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

31. 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 2006:					
Contingent liabilities	29	**60,953,344**	**–**	**∞**	**–**
Forward foreign exchange contracts:					
Receivables	31(e)	**8,638,124**	**8,640,080**	**–**	**–**
Payables	31(e)	**795,933**	**806,397**	**–**	**–**
At 30 April 2005:					
Contingent liabilities	29	66,296,964	–	∞	–
Forward foreign exchange contracts:					
Trade receivables	31(e)	10,041,364	9,915,193	–	–

∞ 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.

32. 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.

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.

32. SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments: (cont'd)

30 April 2006	Manufacturing RM	Trading RM	Others RM	Amalgamation RM	Eliminations RM	Consolidated RM
REVENUE AND EXPENSES						
Revenue						
Segment revenue						
External sales	29,200,492	207,861,459	–	237,061,951	–	237,061,951
Inter-segment sales	167,671,455	21,372,520	29,081,051	218,125,026	(218,125,026)	–
Total revenue	196,871,947	229,233,979	29,081,051	455,186,977	(218,125,026)	237,061,951
Results						
Segment results	21,823,563	6,562,029	(25,581)	28,360,011	–	28,360,011
Unallocated results						–
Profit from operations						28,360,011
Finance costs, net						(2,690,716)
Profit before taxation						25,669,295
Taxation						(4,815,265)
Profit after taxation						20,854,030
Minority interests						65,630
Net profit for the year						20,919,660
ASSETS AND LIABILITIES						
Segment assets	193,902,130	57,578,784	698,291	252,179,205	–	252,179,205
Unallocated assets:						
Tax assets						4,732,988
Deferred tax assets						362,331
Consolidated total assets						257,274,524
Segment liabilities	22,814,767	6,055,757	8,651,995	37,522,519	–	37,522,519
Unallocated liabilities:						
Borrowings						60,953,344
Tax liabilities						16,239,884
Consolidated total liabilities						114,715,747
Capital expenditure	12,725,736	2,531,691	167,690	15,425,117	–	15,425,117
Depreciation	16,540,962	1,440,350	133,675	18,114,987	–	18,114,987
Amortisation of goodwill	–	–	1,445	1,445	–	1,445
Amortisation of reserve on consolidation	(26,424)	–	–	(26,424)	–	(26,424)
Impairment losses	–	–	–	–	–	–
Non-cash expenses other than depreciation, goodwill written off and impairment losses	227,437	642,516	–	869,953	–	869,953

32. SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments: (cont'd)

30 April 2005 Restated	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	205,906,584	17,763,954	410,784,112	(194,321,358)	216,462,754
Results						
Segment results	27,943,202	1,533,744	(405,145)	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						(5,541,138)
Profit after taxation						21,067,940
Minority interests						(55,199)
Net profit for the year						21,012,741
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
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						16,494,953
Consolidated total liabilities						109,605,520
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

32. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical Segments:

The Group's operations are mainly located in Malaysia, except that of a subsidiary in Singapore and Thailand. 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	
	2006 RM	2005 RM	2006 RM	2005 RM	2006 RM	2005 RM
Malaysia	**164,772,517**	152,662,106	**239,706,288**	234,702,253	**15,276,889**	45,353,483
Singapore	**46,183,831**	44,064,413	**10,427,709**	9,366,253	**143,555**	188,578
Others *	**26,105,603**	19,736,235	**2,045,208**	2,401,989	**4,673**	3,686
Consolidated	**237,061,951**	216,462,754	**252,179,205**	246,470,495	**15,425,117**	45,545,747

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

33. COMPARATIVES

The following comparative figures have been reclassified to conform with current year's presentation:

Group	As Reclassified	Adjusted	As Previously Stated
Income statements			
Purchase of trading stocks	7,982,162	2,245,342	5,736,820
Transportation and freight charges	11,529,457	(2,245,342)	13,774,799
Notes to financial statements			
Staff cost			
Salaries and wages	27,692,598	8,935,141	18,757,457
Other staff related expenses	2,787,805	(8,935,141)	11,722,946

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 30.4.2006 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 8 to 27 years	Freehold industrial land	NTPM	17,881,076	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 3 to 6 Between 3 to 4	Freehold industrial land	NTPM	23,018,279	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 30.4.2006 RM	Date of Valuation
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 8 to 10	Leasehold industrial land for a term of 60 years expiring on 22.10.2047	NTPM	1,655,176	19.9.2001
5	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	4	Freehold industrial land except for Lot 794 which is a freehold agricultural land	NTPM	3,766,523	19.9.2001
6	H.S.(D) 224308 PTD No. 41665 Senai-Kulai, Johor Bahru, Johor.	An office and warehouse complex	4,390/ 1,593	3	Freehold land	NTPM	1,378,416	Acquired on 8.5.2002
7	No 5, Jalan Tiang U8/93, Bukit Jelutong Industrial Park, Shah Alam, Selangor.	An office and warehouse complex	10,000/ 5,950	1	Freehold industrial land	NTPM	7,776,047	Acquired on 31.12.2002
8	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	567,158	19.9.2001
9	Lot Nos 784, 786, 787, 788 & 789, MK 8, S.P.S	Vacant agriculture land	52,464	–	Freehold land	NTPM	1,054,573	Acquired on 30.6.2005

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 ("Shares")
Voting Rights	:	One vote per share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

No. of Holders	Holdings	Total Shareholdings	%
4	Less than 100	173	0.00
476	100 - 1,000	453,680	0.07
2,046	1,001 - 10,000	11,726,500	1.88
945	10,001 to 100,000	31,868,334	5.11
180	100,001 to less than 5% of issued shares	300,497,055	48.16
3	5% and above of issued shares	279,454,258	44.78
3,654		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	64,760,465	10.38
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	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	14,094,507	2.26
10	Employees Provident Fund Board	12,669,200	2.03
11	Tan Keat Chew	12,480,022	2.00
12	Ooi Kim Tean @ Ng Ah Ba	11,020,654	1.77
13	UOBM Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Teoh Boon Beng @ Teoh Eng Kuan]	10,409,500	1.67
14	CIMB Nominees (Tempatan) Sdn Bhd *[Lee See Jin]*	6,657,119	1.07
15	Ng Inn Beo	6,440,284	1.03
16	Teoh Teik Wai	5,350,000	0.86
17	HDM Nominees (Tempatan) Sdn Bhd *[Ginny Teoh Chooi Sean]*	5,050,000	0.81
18	United Overseas Nominees (Tempatan) Sdn Bhd *[Pledged Securities Account For Teoh Teik Lin]*	5,000,000	0.80
19	Teoh Boon Teong	4,968,000	0.80
20	Mayban Securities Nominees (Tempatan) Sdn Bhd *[Pledged Securities Account For Teoh Teik Toe]*	4,128,000	0.66
21	Cimsec Nominees (Tempatan) Sdn Bhd *[Pledged Securities Account For Tan Keat Chew (Penang)]*	4,042,000	0.65
22	Permodalan Nasional Berhad	3,649,000	0.58
23	Ng Cheng Kee	3,617,822	0.58
24	Ooi Yan Hua	3,405,525	0.55
25	Cimsec Nominees (Tempatan) Sdn Bhd *[CIMB For Lee Chong Choon]*	3,000,000	0.48

30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Name	No. of Shares Held	%
26	Commerce Technology Ventures Sdn Bhd	2,291,000	0.37
27	Ng Lay Kwan	2,272,936	0.36
28	Ng Lay Sin	2,224,936	0.36
29	Ooi Chen Seng	2,129,000	0.34
30	Ng Lay Tuan	2,114,936	0.34

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		3,405,525	0.55	4
Lee Chong Choon	67,760,465	10.86	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 64,760,465 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 UOBM Nominees (Tempatan) Sdn Bhd.
4. Deemed interested by virtue of Madam Ooi Yan Hua, his spouse's interest in the Company.
5. Deemed interested by virtue of his shareholdings 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		3,405,525	0.55	5
Lee Chong Choon	67,760,465	10.86	2	–	–	
Teoh Teik Toe	4,128,000	0.66	3	–	–	
Lim Han Nge	–	–		–	–	
Tan Hock Soon	–	–		–	–	

Notes:

1. Held through UOBM Nominees (Tempatan) Sdn Bhd.
2. By virtue of his shareholdings of 3,000,000 shares held through Cimsec Nominees (Tempatan) Sdn Bhd and 64,760,465 shares held under his own name.
3. Held through Mayban Securities Nominees (Tempatan) Sdn Bhd.
4. Deemed interested by virtue of his shareholdings 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 the Company.

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 Tenth 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, 22 September 2006 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 2006 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. Tan Hock Soon as a Director.		
	ii) Re-election of Mr. Teoh Teck Toe as a Director.		
4.	Approval for the payment of a final tax exempt dividend.		
5.	Approval for the payment of directors' fees.		
6.	Re-appointment of Messrs. Ernst & Young as Auditors of the Company.		
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 ____________________, 2006

____
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.
5. Any alterations in this form must be initialed.

Fold here

Fold here

Stamp

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

Fold here

A tradition of
quality, comfort and
durability