NTPM HOLDINGS BERHAD (384662-U)

启顺造纸业有限公司

(Incorporated in Malaysia)

Nature's Untold Story

Annual Report 2016

Nature's Untold Story

As we had been awarded by The Good Environmental Choice Label, our company continues the journey to protect and conserve the environment. Our continuous growth and product expansion on its finest quality and good value will further enhance your personal hygiene in every household. We at **NTPM** strongly believe that we can make a difference with our eco-friendly products. We believe in seeking perfection in our products while bringing happy moments to the community by nurturing the Earth providing the Green Realm a life of its own.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Lee See Jin
Managing Director

Lee Chong Choon
Executive Director

Dr. Teoh Teik Toe
Non-Independent Non-Executive Director

Lim Han Nge
Senior Independent Non-Executive Director

Chang Kong Foo
Independent Non-Executive Director

Teoh Teik Lin
Alternate Director to Dato' Teoh Boon Beng @ Teoh Eng Kuan, Non-Independent Non-Executive Director

AUDIT COMMITTEE

Chang Kong Foo
Independent Non-Executive Director, Chairman

Lim Han Nge
Senior Independent Non-Executive Director, Member

Dr. Teoh Teik Toe
Non-Independent Non-Executive Director, Member

NOMINATING COMMITTEE

Lim Han Nge
Senior Independent Non-Executive Director, Chairman

Chang Kong Foo
Independent Non-Executive Director, Member

Dr. Teoh Teik Toe
Non-Independent Non-Executive Director, Member

HEAD OFFICE

No. 886, Jalan Bandar Baru
Sungai Kecil, 14300 Nibong Tebal
Seberang Perai Selatan, Pulau Pinang
Tel +604 593 1296 / 593 1326
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REGISTERED OFFICE

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No. 8, Lebuh Farquhar, 10200 Pulau Pinang
Tel +604 263 1966
Fax +604 262 8544

COMPANY SECRETARY

Thum Sook Fun (MIA 24701)

AUDITORS

Ernst & Young
Chartered Accountants, 21st Floor, MWE Plaza
No. 8, Lebuh Farquhar, 10200 Pulau Pinang

PRINCIPAL BANKERS

Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
CIMB Islamic Bank Berhad
Citibank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking 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 +604 263 1966
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STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name NTPM
Stock Code 5066

www.ntpm.com.my

CHAIRMAN'S **STATEMENT**

On behalf of the Board of Directors ("Board") of NTPM Holdings Berhad ("NTHB" or "Company"), I have the pleasure in presenting the Annual Report and Audited Financial Statements of NTHB group of companies ("NTHB Group" or "the Group") for the financial year ended 30 April 2016 ("FY2016").

FINANCIAL REVIEW

This was the best year in our Group's 41 years history. We delivered our strongest financial performance, breaking records on many levels. After subdued growth reported in the previous financial year ended 30 April 2015 ("FY2015"), revenue climbed from RM547.5 million in FY2015 or close to 10% to RM601.7 million in FY2016 – marking for the first time the Group's revenue breaching the RM600 million mark. The growth in revenue was driven by volume growth in major segments of tissue and personal care division where we have secured more sales in both domestic and our focus areas in international market segment such as Singapore, Thailand, Vietnam and Australia.

With our increasing scale and continued focus on driving operational efficiencies, we levered this strong top line growth into Operating Profit growth of 28.9% in FY2016 from a year earlier. As a result, the Group's financial results surpassed our expectations by achieving a record Profit Before Tax amounting to RM78.2 million and Net Profit Attributable to Shareholders of the Company amounting to RM57.7 million for FY2016, as compared to Profit Before Tax of RM59.3 million and Net Profit Attributable to Shareholders of the Company of RM42.6 million in the previous financial year. Diluted Earnings Per Share were 35% above 2015 results.

As at 30 April 2016, net assets per share was 37 sen, an increase of 5 sen as compared to 30 April 2015. Strong cash flow from solid execution combined with capital discipline throughout the financial year under review, led to debt reduction of RM33.6 million during the period under review, which significantly deleveraged our balance sheet. The Group net gearing ratio has improved tremendously to 21% from 30% a year ago. Cash and bank balances increased to RM50.9 million from RM37.4 million in 2015. In addition, our loans and borrowings have reduced substantially from RM191.1 million a year ago to RM157.5 million as at 30 April 2016.

CORPORATE DEVELOPMENTS

We reached a momentous milestone in 2015, celebrating our 40th anniversary. During the month of August to December 2015, the Group ran a nationwide campaign "Send & Win" contest of which we gave away prizes with a total value of RM0.8 million to reward our customers for their support since 1975.

FY2016 also marked a major milestone for the Group with the successful commercialization of our first tissue paper mill outside Malaysia. We have started selling both recycled and pulp grade tissue paper directly from our Binh Duong plant to local customers in Vietnam. During FY2016, we have set-up 2 sales offices in Hanoi and Ho Chi Minh to facilitate the establishment of strong brand presence in the Vietnam's retail market.

CHAIRMAN'S STATEMENT
(cont'd)

DIVIDEND

In line with our favourable results, the Board of Directors is pleased to recommend for shareholders' approval a single tier final dividend of 8% for FY2016. Together with the single tier interim dividend of 8% which had been declared on 25 March 2016 and paid on 22 April 2016, the total dividend payout for FY2016 will be 16%, an improvement from 7.25% paid in the previous FY2015.

Although the Board intends to see the Company paying out dividends on yearly basis, we wish to reiterate that there is no dividend policy in place as of now. Shareholders are reminded that the level of payout ratio is expected to vary between periods depending on factors the Directors may consider, including the general business environment, the operating results and financial condition of the Group, the demands of new capital investment, future funding requirements, capital management initiatives and other factors the Directors may consider relevant.

CORPORATE SOCIAL RESPONSIBILITY

The Board and Management strive to ensure that good governance is at the heart of the Group's policies and practices. I am proud of the progress we have achieved thus far and grateful for the support from our stakeholders in recognising our role as a responsible corporate citizen.

During the year under review, the Group's primarily corporate social responsibility efforts were reflected in the following activities:-

- Expanded NTHB Group's product range with environmentally-friendly international accreditation
- Salvaged sludge from tissue and diapers waste into new products such as arch file and incontinence pad
- Continued to invest in environment friendly and energy saving equipment
- Provided hygiene education programme to 34,955 Malaysian students across the country

Further details of the Group's other efforts are specified in the Corporate Social Responsibility Statement in this Annual Report.

APPRECIATION

On behalf of the Board, I would like to extend our deepest gratitude to the Management and employees of NTHB Group for their commitment and dedication towards achieving the Group's milestones to date. I would also like to express my sincere appreciation to our shareholders, business partners, customers, suppliers and bankers for their continued trust and support in our operations over the years. Your support and belief was essential for NTHB to grow in 41 years from a mere 5-tonne a day jumbo roll manufacturer to a listed conglomerate specialized in fast and moving consumer goods ("FMCG") business model today. The next phase of growth in the coming years will be even more exciting as NTHB will be leveraging on the breadth and scale of our successful operations in Malaysia to create a decent brand presence in the Indochina market.

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

Date : 18 August 2016

主席汇报

本人欣然地代表董事局提呈本集团及本公司截至2016年4月30日财政年（2016财政年）的常年报告及经审查的财务报表。

财务报告

这是本集团41年来表现最好的一年。我们卓越的业务表现，打破了各层面的现有记录。随着2015年4月30日财政年度（FY2015）的表现疲弱后，本集团成功突破6亿令吉的大关，总收入从去年的5亿4750万令吉提升至近10%或等于6亿170万令吉。此次收入的增长是来自大量的纸巾和个人护理产品。今年我们把业务焦点着重在本地及国际市场如新加坡、泰国、越南及澳洲。

随着本集团的规模越来越大，并专注于推动营运效率，我们的顶项生产线的营业利润比去年增长了28.9%。因此，本集团的财务业绩超越了我们所预期的，税前总盈利为7820万令吉。本集团能提供给股东的净利润则达5770万令吉，与2015年税前总盈利的5930万令吉和股东净利润的4260万令吉，这表示摊薄后，每股的收益是比去年的高出35%。

截至2016年4月30日，每股净资产为37仙，比2015年4月30日增加了5仙。在稳健的执行与资本的约束下，今年我们拥有强劲的现金流量，并减少了336万令吉的债务，也降低了我们的资产负债表。本集团净负债比率已从去同期的30%缩减至今年的21%。现金及银行结余从2015年的3740万令吉增加至今年的5090万令吉。截至2016年4月30日，我们的贷款和借款已从去年的1亿9110万令吉减少至1亿5750万令吉。

企业发展

2015年本集团达到了一个重要的里程碑，我们欢庆40周年。2015年8月至12月期间，本集团进行了一项全国性的“Send & Win”的竞赛，并发出总价值80万令吉的奖品，以奖励从1975年就开始支持我们的客户。

2016年也象征本集团步入一个里程碑，因为我们成功开创马来西亚以外造纸厂的商业活动。在越南的平阳厂，已开始供应及销售回收和纸浆等级的纸巾于越南当地的消费者。同时，我们已经在河内和胡志明市建立了两个销售办事处，以促进越南强大的零售市场。

股息

在取得显著的成绩下，董事局建议在2016年派发8%的单层末期股息于股东们。此次股息将联同2016年3月25日所公布与4月22日所支付的8%中期股息，所以共有16%的股息，这是较2015年所支付的7.25%来得高。

虽然董事局期望本集团每年都派息，但我们要在此声明，截至目前仍无相关股息政策。董事局派息于股东的利率取决于各种因素，包括一般的商业环境之间的变化，经营业绩及本集团的财务状况，新的资本投资，未来资金需求的要求，资本管理措施等相关因素。

主席汇报
(cont'd)

企业社会责任

董事局和管理层将会以善政为本集团的中心和政策。我为我们迄今取得的进展感到自豪，并感谢我们的利益相关者的支持，了解到我们作为一个负责任的企业公民的角色。

在这一年内，本集团的主要企业社会责任工作如下:-

- 扩展NTHB集团产品与取得国际环保认证
- 把在污泥中纸巾和尿布改造成新产品如文件夹及失禁垫
- 继续投资于环境友好和节能的设备
- 为马来西亚全国34,955名学生提供卫生教育计划

本次年报将刊载更多关于本集团的企业社会责任的细节。

鸣谢

我谨此代表董事局，感谢这一年来不断付出，倾尽全力让本集团拥有现今规模的NTHB的管理层和员工们。我还要衷心感谢一路给予支持和信任我们的股东们、商业伙伴、客户，供应商和。您的支持和相信，让我们从41年前，每天制造5吨大卷的制造商，发展成至今专门从事快速消费品（FMCG）上市企业集团。在未来几年内将是更加精彩的NTHB，我们将凭借在马来西亚的成功操作，在中南半島开创强大的品牌。

拿督张文铭局绅
主席

日期：2016年8月18日

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

We are proud of NTHB group of companies ("NTHB Group" or "the Group") operating results in the reported Financial Year Ended 30 April 2016 ("FY2016") given it was a challenging year on many fronts. Challenges include the ever increasing challenging landscape, price-erosion pressure due to a lukewarm Malaysian economy and higher material input costs due to the unfavorable weakening of Ringgit Malaysia ("MYR") against the United State Dollar ("USD").

In our journey over the last 41 years, we have always viewed challenges as opportunities to learn and evolve, and believe we emerged from this past year on a stronger footing than we have ever been. We took a hard look at our business and made some decisions and corrections to reignite sales growth while identifying cost-saving opportunities in our manufacturing processes. As a result, revenue and Profit Before Tax ("PBT") grew by 10% and 32% respectively from the Financial Year Ended 30 April 2015 ("FY2015") as compared to FY2016.

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The Group current strategy focuses on capturing the benefits of its scale built through its historical growth-based strategy, with a goal to become a regional Fast Moving Consumer Goods ("FMCG") conglomerate. The Group's platform strategy is to achieve its objective of managing its portfolio to balance growth, profitability and cash flow, deliver sustainable cost reductions and to gain market share to our current businesses which are distinguished into paper related and personal care products. Our strategy encompasses the following:-

- Driving to be the lowest cost; most effective manufacturer in every market in which we compete
- Building our selling and delivery capability to increase sales
- Investing for the future by strengthening our capabilities through standardization and simplification of our underlying systems and processes and developing new platforms for growth

In order to achieve cost competitive, our dedicated energy conservation team established since 2007 carried out a series of in depth energy audits and due diligence across the Group's tissue manufacturing sites. A list of seven energy management projects was completed in FY2016. Coupling the upgrading of more efficient equipments and the continuing automation projects, the Group was able to contain costs. During FY2016, we have expanded our fleet of lorries and also increased our sales force in Malaysia by approximately 14% to improve on on-site service and increase our market reach of retail trade customers.

This year, we focused our regionalization plan. On top of driving market growth by solidifying our leading position in Malaysia and improving market presence in other primary markets of Singapore and Thailand, the Group has, since the beginning of the financial year, invested significantly in the sales and promotional activities in Vietnam to initiate its presence beginning with sales of tissue paper.

REVIEW OF PAPER SEGMENT BUSINESS

The paper division generated revenue of RM419.1 million as compared to RM384.4 million in the previous financial year. The increase in revenue was due to the increase of volume contribution from the Group's domestic operations and increased in export sales. On the domestic front, the volume growth was made possible by our continuing initiative to aggressively spend on growing distribution network to enforce strong brand presence and availability, thus it solidify our tissue paper leadership position in Malaysia. On the other hand, the amount of paper products exported to all key international market such as Thailand, Singapore, Vietnam and Australia have grown strongly partly due to the weak Malaysian Ringgit ("MYR") which in turn makes our product more competitive abroad.

This segment's profit improved from RM54.8 million in the previous financial year to RM67.4 million for FY2016. The increase of profit was contributed mainly by increase in revenue, operation efficiencies and the strengthening of United States Dollar ("USD") against MYR in the financial year under review.

COMMERCIALIZATION OF VIETNAM TISSUE PLANT

Since our product launch in Vietnam in the second quarter of last year, Premier and Cutie have been one of the fastest growing tissue paper in the country. In order to provide a more comprehensive support to retail points and local distributors which are mainly situated in the main cities, two sales offices were established during the financial year under review. Both the Ho Chi Minh and

MANAGING DIRECTOR'S REVIEW OF OPERATIONS
(cont'd)

Hanoi offices will conduct market research and provide market intelligence for the Group to facilitate marketing and sales efforts to drive revenue.

The performance of tissue paper in Vietnam has been very encouraging thus far. Since the last few months ended April 2016, we relentlessly continue to put in concerted marketing activities through strategic engagement with retail points to promote sales. The Group has recruited more than 140 sales personnel as to-date, thus provide meaningful and sizable on-ground activity to improve consumer engagement and reach. While these human resource investments will weigh on margins initially, they will fuel channel expansion and sales growth for years to come.

The setting up of manufacturing foothold in Vietnam allows the Group to seize market opportunities in this fast-growing region fueled by the current low per-capita tissue consumption, the continual minimum wage adjustment and the potential spill-over of the Group's other segmental products. With the vast tissue manufacturing experience and acute sense of market and sales dynamics, we believe the Group is in the best position to grow and gain a commendable market share in this region.

REVIEW OF PERSONAL CARE SEGMENT

This year, Personal Care division continued to scale new heights. Earnings were up by 59.6%, on the back of a 11.9% topline improvement. Our personal care products, which comprised of baby diapers, adult diapers, feminine hygiene pad, facial cotton and wet tissue contributed record revenue of RM182.6 million and PBT of RM16.1 million in FY2016 when compared with RM163.2 million and RM10.1 million respectively in FY2015.

We are encouraged by these results given that the Group continues to face intense market competition exacerbated by weaker consumer sentiment due to the implementation of Goods and Services Tax ("GST") and higher input costs arising from cost escalation in imported content of material prices as MYR continues to remain weak against the USD. During the financial year under review, a number of initiatives were designed to meet the consumers' needs across segments. All these initiatives led to the share of our entire personal care range crossing new highs, with growth across all major Brands.

In particular, baby diapers business has been a major growth driver for the personal care segment in FY2016 with business up by double digits with pull-up and tape variants of Diapex showing consistent growth, and thus increasing its market share in the process. This growth is driven both by increase penetration in retail points and consumption among users. Despite the increased in the imported cost of materials, bottomline improvement was supported by favourable sales and channel mix, higher efficiency in its production and supply chain management.

CAPITAL EXPENDITURE, CAPITAL STRUCTURE AND CAPITAL RESOURCES

We manage capital spending to support our business growth plans and upgrading of existing machines. Capital expenditures to support capacity expansion, innovation and cost efficiencies, were RM25.4 million in FY2016 much lower than RM93.1 million incurred in FY2015. The huge capital expenditure outlay in the previous FY2015 was mainly due to the investment of the Group's tissue plant in Vietnam. Management foresee the capital spending in the upcoming financial year will be slightly higher than FY2016.

The Group aims to maintain a prudent financial structure to ensure that it will be able to access adequate capital at favourable terms. The Group's main business, tissue paper is the main source of cash flows. Management monitors the Group's cash flow position, term loan maturity profile, cost of funds, interest rates exposures and overall liquidity position on a continuous basis.

We maintain a significant amount of available banking facilities with a large number of local, regional and international banks and view each of them as our core business partner to ensure the Group has adequate liquidity to finance and exposure to various financial instruments at competitive rates to finance its operations and investments. For example, cash flow requirement in Vietnam is wholly supported by financial institutions in Singapore so as to take advantage of the differential of cost of funding between the two countries.

We maintain debt levels we consider appropriate after evaluating a number of factors, including cash flow expectations, cash requirements for ongoing operations, investment and financing plans and the overall cost of capital. Total loans and borrowings were RM157.5 million as of 30 April 2016 and RM191.1 million as of 30 April 2015. The decrease was mainly due to stronger cash flow generated from our operation and lower capital outlay in FY2016. As at 30 April 2016, the Group had used bank borrowings in form of term loans and revolving credits to finance 38.3% of its capital structure. Given this relatively low gearing ratio, we anticipate that the Group's short-term liquidity and operating needs will be adequately supported through cash generated from operations.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS
(cont'd)

TRENDS, OUTLOOK, FUTURE CHALLENGES & STRATEGY

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

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

Despite the challenges, we take a cautiously optimistic view of the Group's prospects in the year ahead. There are opportunities available for us to make further inroads into existing market underpinned by the Group's robust distribution network. With the market in Malaysia maturing, our strategy to venture into Vietnam last year was indeed timely and offers a good opportunity for the Group to tap into a relatively young emerging market where 70% of the consumers are between 15 and 64 years – who promise to be a key driver of robust market growth. With vigorous infrastructure projects stemming from foreign investments, increasing disposable incomes, rapid urbanization and rising living standards, Vietnam is one of the most dynamic emerging economies in the Southeast Asia region.

The Group operates in highly competitive domestic markets against international competitors who offer a much comprehensive well-known brands. These international players, with their economy of scale, have better access to financial resources and lower product development cost which enables them to offer a wider variety of products and services at more competitive prices. Their reaction to market situation could affect our financial results. It may be necessary for us to go head-to-head on price war and increase spending on advertising and promotions, which could adversely affect our financial performance.

Furthermore, the retail landscape today is more competitive than ever before, including competition for share of the shopper's basket and the retail shelf. Luckily, our distinguished service, scale, unique ubiquity and well known brand categories make us an equal partner for retailers, who look to us to drive their outlet growth. We work hard to create that special bonding with our retail partners to enable us to support the growth of our complementary and start up products and to fend off competition. For example, an existing tissue and personal care businesses in a market had enabled us to introduce the wet tissue in the previous year and hopefully, incontinence bed pad and the stationery business in form of arch files in the coming year in that market space. Thus, moving forward, we will continue to invest our route to-market as well as our brand equity in both the tissue and personal care businesses. At the same time, continual improvement to our cost structure and operational efficiency, strengthening of financial position coupled with strategies to bolster market leadership will be key pillars to maintain the Group's competitive edge in the industry.

With our strong product offerings and comprehensive distribution channel, we have laid the foundation for our future growth and expect the coming financial year ending 30 April 2017 to bring another year of topline growth.

Lee See Jin
Managing Director

Date : 18 August 2016

董事经理的营运检讨

对于充满许多挑战的一年，截至2016年4月30日（“FY2016”），我们对于NTHB集团（以下简称“NTHB集团”或“集团”）的经营业绩，感到自豪。这些挑战包括日益增加的挑战性的景观，因马来西亚经济而导致的价格侵蚀压力，因马币对美元的兑换率疲弱而导致的成本增加。

在过去的41年里，我们一直把挑战当成学习和发展的机会，并相信过去的一切让我们拥有更强的基础。在节省制造成本的同时，我们也在业务上做出决定和调整以重燃我们的销售量。因此，2016年的盈利和税前收入与截至2015年4月30日（FY2015）分别增加了10%及32%。

业务回顾

本集团目前的战略重点是依据长久所建立的优势而提出的，目标是成为本区域的快速消费品（FMCG）集团。本集团的战略平台是达到纸巾和个人护理产品的平衡增长，盈利能力和现金流，实践可持续发展降低成本的方法及获得市场的份额。我们的战略如下:-

- 在任何一个我们竞争的市场中，成为成本最低及最有效率的制造商
- 建立我们的销售和物流能力，來增加业务
- 为未来投资可提高我们能力的潜在系统和简化流程，并开发新的成长平台

为了实现成本竞争力，我们于2007年成立了专业节能队，并对本集团的整个生产基地进行了深入的能源审计和调查。我们在FY2016年内完成了七项能源管理计划。在提升了自动化项目和更高效的设备后，本集团更能够控制成本。在FY2016，我们扩大了卡车车队和增加了约14%在马来西亚的销售队伍，以提高现场服务及零售业客户的市场范围。

今年，我们把焦点放在区域性的计划。除了巩固我们在马来西亚的领先地位，并提高新加坡和泰国等主要市场的市场占有率，以刺激市场增长。从本年度开始，本集团在越南投下显著的销售和促销纸巾的活动。

纸业部门

相比去年的的3亿8440万令吉的收入，今年的纸业收入达到4亿1910万令吉。收入提高的主要原因是受国内业务量及出口销售量的增加。在国内方面，我们继续主动出击，在不断增长的分销网络强调纸巾的可用性及品牌的存在性，并巩固了本集团在马来西亚纸巾的领导地位。另一方面，由于马币疲弱，出口到主要的国际市场如泰国，新加坡，越南和澳洲的纸制品反而拥有更好的竞争力。

本集团的纸业部门业务从去年的5480万令吉增加至今年的6740万令吉。利润率增加的主要原因是受营业收入、行政上的效率增加及美元对马币兑换率的影响。

越南纸巾厂开始投入商业活动

去年第二季度，我们在越南推出Premier和Cutie的产品，已经成为该国增长最快的纸巾之一。为了提供更多零售点及给当地位于主要城市的经销商更全面的支持，我们在当地设立了两个销售办事处。胡志明市和河内办事处将进行市场调研，并提供本集团市场情报，以促进市场营销和销售效率，并达到增加收入的目的。

迄今越南的卫生纸表现非常令人鼓舞。在进入2016年4月前的几个月中，我们坚持不懈地把营销活动注入战略合作零售点，以促进销售。目前，本集团已招募了140多个销售人员，也进行了有意义和大型的活动，并提高消费者的接触和参与度。虽然这些人力资源的投资占了利润率的很大部分，但在未来的几年内，他们将推动当地的拓展渠道和销售增长。

在越南设立制造业据点能使本集团在这地区快速成长，从目前的低个人纸巾均消费，持续的最低工资调整和本集团潜在的其他产品都有发展的空间。本集团拥有丰富的制造经验和对市场及销售的敏锐度，我们相信本集团正处于可在此区域大展拳脚及发光发热的位置。

董事经理的营运检讨
(cont'd)

个人护理部门

今年，个人护理部门不断攀登新的高峰。在背线改进了11.9%后，盈利增长了59.6%。今年（FY2016）我们的个人护理产品，其中包括婴儿尿布，成人尿布，女性卫生护垫，化妆棉和湿纸巾共带来了1亿8260万令吉的收入，而税前盈利1610万令吉。而去年（FY2015）个人护理部门记录如下：1亿6320万令吉的收入，盈利则是1010万令吉。

上述结果令人鼓舞，在面临激烈的市场竞争和消费税的实行下，我们还能使消费者对我们的信心。同时，马币对美元的疲软也造成进口材料的成本增加。在审查财政年度，我们主动去了解消费者对各个产品的要求。这些措施让我们的整个个人护理产品的份额创新高，所有的主要品牌也有所增长。

尽管面对材料的进口成本增加，Diapex的业务持续双位数增长。特别是婴儿纸尿裤业务，它成为FY2016个人护理部的重要成长推手，这种增长是由零售点和消费用户之间创造出来的。底线的生产获得改善、供应链管理和销售据点的支持和管理。

资本支出，资本结构和资本来源

我们的资本支出主要是支持我们的业务增长计划以及提升现有的机器。资本支出以支持产能扩张，创新和成本效率，在FY2016是RM2540万令吉比2015年度支出的RM9310万令吉低。在2015年度支出的巨额资本，主要是由于本集团在越南工厂的投资。管理层预计明年资本支出将比FY2016略高。

本集团的目标是保持审慎的财务结构，以确保它资本充足。本集团的主要业务，纸巾是现金流的主要来源。管理监督本集团的现金状况，中长期贷款期限，资金成本，利率风险和整体流动性位置都在持续性的基础上。

我们与地方，区域和国际银行维持着显著的银行设施，并视他们为我们的核心业务合作伙伴，以确保本集团拥有充足的资金流动性，以资助其业务和投资。例如，在越南需要现金流量，新加坡金融机构将支持并采取两国之间的资金成本的差异。

在评估了一些因素后，我们维持债务水平，包括现金流的期望，现金需求持续经营，投资和融资计划和资本的整体成本。截至2016年4月30日，总贷款和借款是1亿5750令吉，而2015年4月30日则是1亿9110万令吉。FY2016债务主要减少的原因是产生较强的现金流较低的支出资本。截至2016年4月30日，本集团已使用了38.3%银行贷款。鉴于这种相对较低的资产负债率，我们预计，本集团的短期流动性和营运需求将得到充分的现金支持。

前景及展望

在一般情况下，经济指标不会那么乐观的描绘国家的前景。国内生产总值（GDP）连续四个季度增长放缓，2016第一季度达4.2%，较去年同期的5.6%。大多数经济学家预计增长在其余季度持平。一个谨慎的企业家不愿意投资在全球的不确定性和糟糕的商品价格导致了私人投资增长缓慢，仅增加了2.6%，与2016第一季度相比，去年同期达11.6%。另外，2016年5月的日经马来西亚制造业采购经理人指数（“PMI”），表明马来西亚厂连续第十四个月输出量在在三年半内下滑。

基于上述的种种趋势,本集团将在2017年4月30日（“FY2017”）结束的财政年度所面临的各种挑战。从2016年1月1日开始，我们就已经受到电费和天然气的价格影响，并分别调涨约4.6%和17.2%，FY2017则会受到全部影响。另外，从2016年7月1日起，薪资必须依据马来西亚半岛职工最低工资标准所规定的1000令吉，东马则是从920令吉。近期外汇的波动性增加率，构成本集团监控其生产成本的挑战。基于通胀压力，生活成本较高，楼市的趋冷，购买力重点的转换，马来西亚的消费者信心指数预计将维持低归。从更积极的方面，受汇率波动，主要原材料价格预计将维持低位，向上缓冲能源和劳动力成本压力。

尽管面临挑战，我们采取了集团在未来一年的前景的谨慎乐观看法。有集团强大的销售网络支持，我们有机会进一步抢攻进入现存的市场。在马来西亚市场的不断成熟，我们去年进军越南的策略是非常及时，并提供了本集团进军一个相对年轻的新兴市场，其中70%的消费者是15至64岁之间，这是强劲市场增长的主要驱动力。随着外国投资的基础设施项目，增加可支配收入，快速城市化和生活水平的不断提高，越南是东南亚地区最有活力的新兴经济体之一。

本集团在竞争激烈的国内市场，面对国际知名品牌的竞争对手。这些国际品牌，他们有更好的经济规模，获得金融资源和降低产品开发成本，使他们能够提供更广泛的产品和服务，价格也更具竞争力。他们对市场形势的反应可能会影响我们的财务业绩。我们有必要面对价格战，增加广告和促销开支，这可能会对我们的财务业绩造成不利影响。

此外，今天的零售业竞争比以往任何时候都更具竞争力，包括购物篮和零售货架的竞争。幸运的是，我们的卓越服务，规模，独特性和知名品牌类别使我们零售商是一个平等的合作伙伴，带动出口增长。我们努力创造与我们的零售合作伙伴的关系，使我们能够互补和启动产品的增长和抵御竞争。 希望，尿失禁床垫和文具业务在未来一年在市场站一席之位。就像在我们前一年推出的湿纸巾。因此，向前迈进，我们将继续投资我们的路线市场，以及我们的品牌资产在组织和个人护理业务。同时，持续改进我们的成本结构和运营效率，加强财务状况再加上战略，以加强市场领导将是关键支柱，保持集团在行业中的竞争优势。

凭借我们强大的产品和全面的分销渠道，我们已经为我们的未来发展奠定了基础，预计2017年4月30日即将到来的财政年度结束带来收入增长的又一年。

李斯仁
董事经理

日期：2016年8月18日

BOARD OF DIRECTORS' PROFILE

DATO' TEOH BOON BENG @ TEOH ENG KUAN

Non-Independent Non-Executive Chairman / Malaysian / Male / Age 83 years

Dato' Teoh Boon Beng @ Teoh Eng Kuan a Justice of Peace, was appointed to the Board of Directors of NTPM Holdings Berhad ("NTHB" or "the Company") as Non-Independent Non-Executive Chairman on 26 April 2000.

He obtained the High School Certificate in 1954. He is a businessman with vast experience and knowledge in various business sectors including rice milling and oil palm. Currently, he operates a family owned rice mill. He was the president of Kedah Chinese Chamber of Commerce and Industries (KCCCI) from 2003 to 2007 and currently he is the advisor of the said organisation. He was also the vice-president of Associated Chinese Chambers of Commerce and Industry Malaysia (ACCCIM) from 2005 to 2007 and currently he is the honorary advisor of the organisation. He sits on the board of several private limited companies.

He is the father of Mr. Teoh Teik Lin, an Alternate Director and a major shareholder of the Company and uncle of Dr. Teoh Teik Toe, a Non-Independent Non-Executive Director of the Company. He has no conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any. He attended three out of the four Board of Directors' Meetings held in the financial year ended 30 April 2016.

LEE SEE JIN

Managing Director / Malaysian / Male / Age 77 years

Mr. Lee See Jin was appointed to the Board of Directors of NTHB on 20 October 1996.

He obtained the Higher School Certificate in 1960. He is the Managing Director of NTHB and a Director of all subsidiaries of NTHB. He is the founder of the Group and has been in the paper industry for more than forty years. Over these years, he has gained in-depth experience and knowledge of the paper industry in Malaysia.

He is the father of Mr. Lee Chong Choon, an Executive Director and a major shareholder of the Company. He has no conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any. He attended all the four Board of Directors' Meetings held in the financial year ended 30 April 2016.

LEE CHONG CHOON

Executive Director / Malaysian / Male / Age 51 years

Mr. Lee Chong Choon was appointed to the Board of Directors of NTHB on 10 November 1999. He is an Executive Director of NTHB and a Director of all the subsidiaries of NTHB.

He holds a Diploma in Civil Engineering from the Singapore Polytechnic. He has extensive experience in process engineering and has provided the NTHB Group with technical manufacturing experience expertise. He was the Financial Controller of Nibong Tebal Paper Mill Sdn. Bhd. ("NTPM") from 1995 to 1997 and the Country Sales Manager of NTPM from 1997 to 1999. He has also been instrumental in spearheading the progress of the Group and the development of the Group's products.

He is the son of Mr. Lee See Jin, the Managing Director and a major shareholder of the Company. He has no conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any. He attended all the four Board of Directors' Meetings held in the financial year ended 30 April 2016.

DR. TEOH TEIK TOE

Non-Independent Non-Executive Director / Singaporean / Male / Age 48 years

Dr. Teoh Teik Toe was appointed to the Board of Directors of NTHB on 9 July 2004. He is a Non-Independent Non- Executive Director of NTHB. He is both the member of the Nominating Committee and Audit Committee of the Company.

He has obtained two-doctorate degree, Doctor of Philosophy (PhD) in Computer Engineering from Nanyang Technological University (Singapore) and Doctor of Business Administration ("DBA") from University of Newcastle. He also obtained Bachelor of Law (2nd Upper), Master of Law from University of London and another Master of Law from University of Singapore ("NUS"). He is a chartered holder of Chartered Financial Analyst ("CFA"), fellowship holder of Association of Chartered and Certified Accountants ("FCCA") and chartered holder of Chartered Institute of Management Accountant ("CIMA"), Chartered Accountant of Singapore, Chartered Accountant of Malaysia, Certified Public Accountant ("CPA") in Australia and Accredited Tax Professional ("ATP") in Singapore. He was awarded the Association of Chartered and Certified Accountants ("ACCA") Overall Top 30 in Singapore and Top 83 in the World. He also holds a degree of Bachelor of Science in Electrical Engineering (Hons), Master of Science in Computer Engineering, Master of Business Administration from the University of Newcastle (Australia), Master of Business Administration from the University of Southern Queensland (Australia) and Master of Accounting and Finance from University of Gloucestershire (United Kingdom). He is also a member of Mensa, Project Management Professional ("PMP") and Singapore Mediation Centre ("SMC"). His first job was a Software Engineer in Hewlett Packard, Singapore and is currently lecturing ACCA and CFA in several universities.

He is a nephew of Dato' Teoh Boon Beng @ Teoh Eng Kuan, the Non-Executive Chairman and a major shareholder of the Company. He has no conflict of interests with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any. He attended all the four Board of Directors' Meetings held in the financial year ended 30 April 2016.

BOARD OF DIRECTORS' PROFILE
(cont'd)

LIM HAN NGE
Senior Independent Non-Executive Director / Malaysian / Male / Age 61 years

Mr. Lim Han Nge was appointed as the 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 the Chairman of the Nominating Committee and a member of the Audit Committee of the Company.

He graduated from Coventry University, United Kingdom with a Bachelor of Arts (Honours) in Business Law. Thereafter, he qualified as a barrister (Lincoln's Inn, United Kingdom) in 1978 and was called to the Malaysian Bar in November 1979. He is a practicing advocate & solicitor and is currently a partner of Messrs. Jin-Nge & Co, a legal firm in Alor Setar. He is a Director of several private limited companies and is a legal adviser to several non-governmental organisations in Kedah.

He has no family relationship with other Directors and/or major shareholders of the Company, nor any conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any. He attended all the four Board of Directors' Meetings held in the financial year ended 30 April 2016.

CHANG KONG FOO
Independent Non-Executive Director / Malaysian / Male / Age 63 years

Mr. Chang Kong Foo was appointed as an Independent Non-Executive Director of NTHB on 19 September 2008. He is the Chairman of the Audit Committee and a member of the Nominating Committee of the Company.

Mr. Chang graduated with a Bachelor in Management Studies from University of Waikato, New Zealand in 1978. He commenced his career with Audit Office in New Zealand for two years, was with a Big Four accounting firm for a year and a manager with an accounting firm in Butterworth for another two years.

Mr. Chang set up his Professional Practices in 1982 and received his audit licence in 1983. He is a member of the Malaysian Institute of Accountants, a member of the Certified Tax Institute of Malaysia, and also an authorised tax agent licensed under the Income Tax Act 1967. He is also a liquidator since 1999 and a Certified Financial Planner (CFP™) since 2003. Mr. Chang Kong Foo is the Chief Executive Officer of the Key Focus Group of companies providing a multitude of financial services to clients in the Northern Region.

He has no family relationship with other Directors and/or major shareholders of the Company, nor any conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any. He attended all the four Board of Directors' Meetings held in the financial year ended 30 April 2016.

TEOH TEIK LIN
Alternate Director / Non Independent Non-Executive Director / Malaysian / Male / Age 56 years

Mr. Teoh Teik Lin was appointed as an Alternate Director to Dato' Teoh Boon Beng @ Teoh Eng Kuan who is a Non-Independent Non-Executive Chairman of the Company on 19 September 2008.

He graduated from University of Toronto, Canada with a Bachelor Degree in Commerce and later obtained a Master Degree in International Business Studies from University of South Carolina, United States of America. He began his career with a multi-national company and brings him with more than twenty years of experience in senior management role as well as the relevant experience in procurement, development and marketing of wood products. He currently serves on the Board of several private limited companies.

He is the son of Dato' Teoh Boon Beng @ Teoh Eng Kuan, the Non-Independent Non-Executive Chairman and also a major shareholder of the Company. He has no conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any. He attended as an invitee for three out of four Board of Directors' Meetings held in the financial year ended 30 April 2016.

KEY SENIOR MANAGEMENT TEAM

LEE CHONG CHAT

Chief Operating Officer (Engineering) / Malaysian / Male / Age 53 years

Mr. Lee Chong Chat was appointed as the Chief Operating Officer (Engineering) of NTPM Holdings Berhad ("NTHB" or "the Company") on 1 July 2004. He is a Director of Nibong Tebal Paper Mill Sdn. Bhd. ("NTPM"). He obtained a Bachelor of Science Degree from Purdue University, United State ("US") in 1986. After obtaining his Master of Science in Civil and Environmental Engineering from Utah State University, US in 1988, he joined CTL Enviromental Services, US as a Project Engineer and then joined Ajit Randhava & Associates, US in 1990 as an Engineer. From 1992 to 1994, he worked as an Engineer in MMBP International Limited, Hong Kong. In 1994, he joined Bandar Bukit Kemuning Sdn Bhd as its Chief Engineer. Later in 1996, he joined Bridgecon Engineering Sdn Bhd as its Project Manager, before joining NTPM in 2000 as Senior Project Manager. He was promoted to Assistant General Manager of the Company in 2000 before he assumes his current position. He is in charge of the Group's project engineering and initial capital start-up projects.

He has been a member of the Board of Engineer, Malaysia since 1992. In 1995, he became a graduate member of the Institute Engineer of Malaysia and in 1996, he joined the Malaysian Institute of Management as an associate member.

He is the son of Mr. Lee See Jin, the Managing Director and a major shareholder of the Company. He has no conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any.

LEE CHONG LOO

Chief Operating Officer (Operation) / Malaysian / Male / Age 51 years

Mr. Lee Chong Loo was appointed as the Chief Operating Officer (Operation) of NTHB on 1 March 2011. He is a Director of Nibong Tebal Enterprise Sdn Bhd ("NTE"). He holds an Advance Diploma (ABE) from Kolej Damansara Utama. He joined NTPM in 1983 as the Transport and Store Manager. In 1993, he joined Kuang Tat Food Sdn Bhd as the Production and General Manager. Following that, he returned to NTPM in 2001 as the Procurement Manager. He was the Assistant General Manager (Procurement) from 2004 to 2011 before he assumes his current position. He leads the sales operation in Thailand and is jointly in charge of the Group's procurement.

He is the son of Mr. Lee See Jin, the Managing Director and a major shareholder of the Company. He has no conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any.

LEE HOOI FUNG

Chief Operating Officer (Procurement) / Malaysian / Female / Age 50 years

Ms. Lee Hooi Fung was appointed as the Chief Operating Officer (Procurement) of NTHB on 1 March 2011. She is a Director of NTPM (Singapore) Pte. Ltd. ("NSPL").

She completed her Fifth Form education in 1984. She joined the Company in 1999 as the Purchasing Manager. She was the Assistant General Manager (Procurement) from 2004 to 2011 before she assumes her current position. Prior to joining the Group, she was a partner in a private company involved in transportation. She is also in charge of the Group's procurement and led the Group's logistics services.

She is the daughter of Mr. Lee See Jin, the Managing Director and a major shareholder of the Company. She has no conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any.

TAN CHEE SENG

Executive Director (Manufacturing) of NTPM / Malaysian / Male / Age 51 years

Mr. Tan Chee Seng was appointed as the Executive Director – Manufacturing of NTPM on 1 October 2009. He holds a Bachelor Degree in Applied Science (Honours) from University Science Malaysia. He worked at Prime Pharmaceutical Sdn Bhd, a local pharmaceutical factory for three years before joining NTPM in April 1993 as a Production Engineer. He held numerous positions in NTPM including Engineering Section Manager, Senior Engineering Section Manager, Manufacturing Assistant General Manager, and Manufacturing General Manager before he assumes his current role. He is in charge of NTPM's tissue business manufacturing processes.

He has no family relationship with other Directors and/or major shareholders of the Company, nor any conflict of interest with the Group and has never been convicted of any offence within the past five years, other than traffic offences, if any.

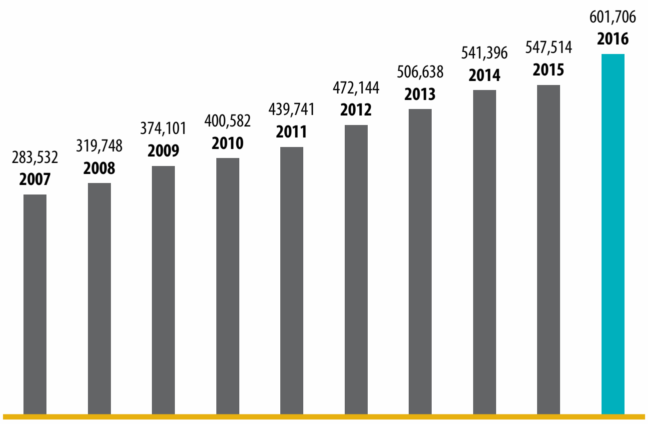
GROUP FINANCIAL HIGHLIGHTS

TEN-YEAR FINANCIAL SUMMARY

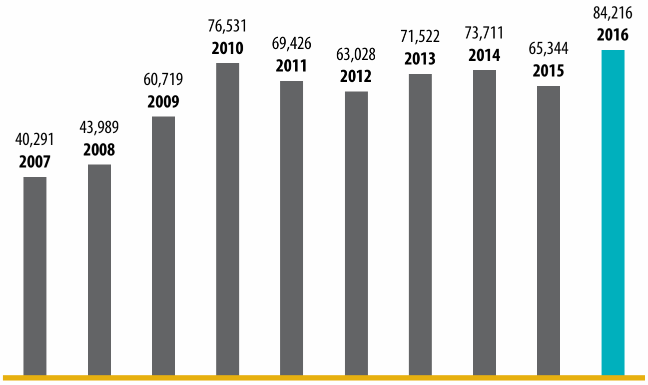
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000
Revenue *	283,532	319,748	374,101	400,582	439,741	472,144	506,638	541,396	547,514	**601,706**
Operating Profit	40,291	43,989	60,719	76,531	69,426	63,028	71,522	73,711	65,344	**84,216**
Profit Before Tax ("PBT")	38,112	41,618	58,677	75,445	67,126	59,540	67,363	69,880	59,318	**78,189**
Net Profit Attributable to Shareholders of the Company	32,190	34,108	46,222	59,320	52,063	44,781	49,132	53,891	42,642	**57,667**
Shareholders' Fund / Net Assets	171,441	183,078	203,251	228,457	248,744	282,625	310,387	340,417	360,325	**410,911**
Weighted Average No. of Ordinary Shares in Issue ('000)	624,000	624,000	1,123,200	1,123,193	1,123,173	1,123,154	1,118,175	1,117,927	1,123,173	**1,123,153**
Net Assets Per Shares (RM) @	0.15	0.16	0.18	0.20	0.22	0.25	0.28	0.30	0.32	**0.37**
Net Dividends	21,119	25,272	29,428	32,572	32,572	16,286	32,382	32,572	8,143	**17,970**
Net Dividends Per Share (Sen) @	1.88	2.25	2.62	2.90	2.90	1.45	2.90	2.90	0.73	**1.60**
Earnings Per Share (Sen) @	2.87	3.04	4.12	5.28	4.64	3.99	4.39	4.82	3.80	**5.13**
Dividends Payout Ratio (%)	65.61	74.09	63.67	54.91	62.56	36.37	65.91	60.44	19.10	**31.16**

* Comparatives amount in the previous years have been restated to conform with current year's presentation

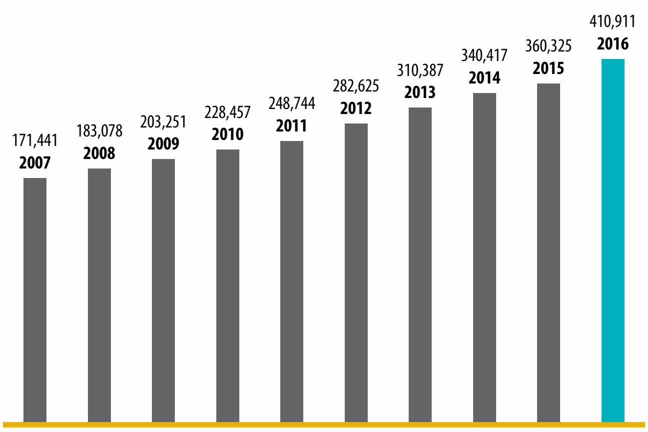
@ Computed based on enlarged number of ordinary shares in issue after bonus issue exercise which was completed on 7 April 2009



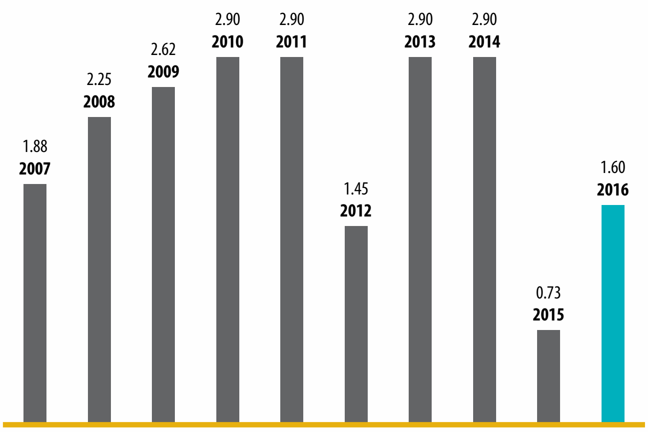
REVENUE
(RM'000)



OPERATING PROFIT
(RM'000)



SHAREHOLDERS' FUND



NET DIVIDENDS PER SHARE
(SEN)

GROUP STRUCTURE AND ACTIVITIES
AS AT 30 APRIL 2016

NTPM HOLDINGS BERHAD (384662-U)
启顺造纸业有限公司

(NTHB) Investment holding and provision of management services

MANUFACTURING

NTPM NIBONG TEBAL PAPER MILL SDN. BHD. (22772-A)
Manufacturing and trading of paper products such as toilet rolls, tissues, serviettes and investment holding.

NTPC NIBONG TEBAL PERSONAL CARE SDN. BHD. (228234-U)
Manufacturing and trading of personal care products such as sanitary products, baby diapers, facial cottons and adult diapers.

NTPP NIBONG TEBAL PAPER PRODUCTS SDN. BHD. (839591-U)
Undertaking of paper product and printing related business and general trading.

NTT NIBONG TEBAL TECHNOLOGY SDN. BHD. (202143-M)
Undertaking research and development activities on the production technology, biotechnology and recycling of waste materials related to paper industry.

NBSB NTPM PAPER MILL (BENTONG) SDN. BHD. (943935-U) *
Manufacturing and trading of paper products mainly toilet rolls.

TRADING AND SERVICES

NTE NIBONG TEBAL ENTERPRISE SENDIRIAN BERHAD (95077-H)
Trading in tissue paper and paper products, and trading in fast moving consumer goods (FMCG).

NTL NIBONG TEBAL LOGISTICS SDN. BHD. (378479-H)
Provision of integrated logistics services.

NTIT NIBONG TEBAL IT SDN. BHD. (500077-H)
Provision of information technology support and services.

OVERSEAS TRADING

NSPL NTPM (SINGAPORE) PTE. LTD. (198600763K)
Importers and dealers in all kinds of tissue paper and paper products, and trading in FMCG.

NTCL NTPM (THAILAND) CO., LTD. (0108454720303)
Importers and dealers in all kinds of tissue paper and paper products, and trading in FMCG.

OVERSEAS MANUFACTURING

NTPV NTPM (VIETNAM) CO., LTD. (463043000393) @
Manufacturing, processing of tissue paper and products related to tissue paper and manufacturing semi-finished paper rolls.

OVERSEAS INVESTMENT

NIPL NTPM (INTERNATIONAL) PTE. LTD. (201220170K) *
Investment holding.

Note : FMCG consist of tissue and paper related products, sanitary napkins, baby diapers, adult diapers, cotton products, wet tissue and baby wipes.
* wholly owned by NTPM (Singapore) Pte. Ltd.
@ wholly owned by NTPM (International) Pte. Ltd.

NTPM®

We Deliver Sustainable Hygiene Practices

CORPORATE SOCIAL RESPONSIBILITY ("CSR") STATEMENT

As part of our efforts to ensure the Group's sustainable growth, the Board and Management are committed to the carrying out of responsible business practices which have positive impact on all our stakeholders that includes our customers, suppliers, employees, community and the environment in which we operate. We shall continue to integrate into our business philosophy several initiatives and measures to promote the effective protection of the environment, prudent use of natural resources, creation of value in the areas of workplace and generous contributions to charitable organisations, non-profit organisations and underprivileged members of the societies. Towards this end, the Group always supports corporate social responsibility practices in line with the corporate social responsibility framework launched by Bursa Malaysia Securities Berhad.

MANAGING RAW MATERIALS

Wood fiber, either fresh (virgin) or recycled, is the Group's most important raw material. Our objective is to primarily avoid deforestation with the use of recycled fiber whenever possible considering the quality and product safety requirements of the final product. The recovered paper used in the tissue production is either locally sourced as close proximity to our mills or carriage by our own fleet of lorries while on their way back from delivery of finished goods. This is to reduce the environmental impact of transportation.

We actively promote the usage of post-consumer waste recovered fiber. By owning one of the largest wood fiber storage warehouses in Malaysia, which collectively measure 15,000 sq meter, we signify our intention to promote the collection and storage of used office paper. This keeps the wood fiber from ending up in the landfill, and thus extending the life of the landfill. In support of collaboration with all the major waste paper collectors in Malaysia and to work closely with industrial printers as well, we practice "stock to hold" concept to promote the recovery rate of recycled fiber and also to deter waste paper from being smuggled out of the country.

We provide assurance that the virgin wood fiber used in the paper production is sourced from sustainably managed forests. In doing so, our main tissue plant is internationally recognized by independent environmental certification systems such as the Forest Stewardship Council ("FSC") accreditation process. Thanks to continuous effort, on 3rd February 2016, Nibong Tebal Paper Mill Sdn. Bhd. ("NTPM") has expanded its fresh and recycled product range to Jumbo Roll (MG Paper), Toilet Roll, Jumbo Roll Tissue and Facial Tissue to conform to the requirements of the FSC Chain of Custody Certification. Our tissue plant in Vietnam is working towards FSC certification and we expect this to materialise by end of the year.

All the chemicals used in the deinking process of NTPM's paper products are chlorine free and safe for health and the environment. Cheaper, harmful alternative substances classified as toxic, ecotoxic, carcinogenic, mutagenic or toxic to reproduction are prohibited from our tissue production process. In fact, all our health friendly chemicals added to the paper product fulfill the stringent environmental criteria set forth by the Environmental Choice of New Zealand Guideline ("ECNZ") and the Good Environmental Choice Australia ("GECA").

MANAGING ENERGY CONSERVATION

At present, we are facing many energy related challenges – the increasing energy price which took effect from 1st January 2016, the gradual reduction of special electricity tariff, the regulations from government about limitation of energy consumption namely natural gas and various demands from societal and environmentalist stakeholders concerning on how to increase the energy efficiency and improve on carbon footprint.

As the leading tissue supplier in Malaysia, NTPM is making great continuous efforts to reduce the energy consumption and increase the energy efficiency of tissue related production machines. We believe that there are opportunities throughout the business to be more energy efficient. NTPM's Environment Management System ("EMS") launched in 2007 has served us well in this aspect. This year alone, the EMS working committee has managed to complete seven Energy Management Program ("EMP") namely on improvement in electricity savings related to boiler operation, toilet roll rewinder and interfolder facial tissue machines, waste water treatment plant and stock preparation processes.

Apart from energy conservation projects, the EMS team also monitors and measures NTPM environmental performance to verify the impacts of its operations on the environment are minimized. Throughout the reporting period, NTPM complies with all the parameters set forth in their environmental reporting requirement which includes air quality monitoring, emission measurements, water effluent discharge and schedule waste disposal. As part of these processes, various independent third parties audit NTPM's historical waste discharge, air emissions and calculation methodology to ensure its emissions or discharge comply with domestic reporting, international accreditations and government regulations.

FROM WASTE TO WORTH

Seeking new ways to utilize our industrial waste instead of sending them to landfill sites or burning them in an incinerator is something we continue to strive for. We aspire to maximize the value of secondary materials by substituting or complementing their usage to replace virgin raw materials in a broad range of applications. In the process, materials that were previously regarded as waste are converted into added-value by-products thus contributing to the circular economy.

We are working towards mechanical dispersion of the cover from the compacted rejected baby diaper's wadding materials, consisting of cellulose fluff pulp and super-absorbents polymers ("SAP"), so that these can be separated in to their component parts. Previously, these productions rejected baby diapers were either send to landfill or burnt. Moving forward, we should be able to recycle the recycled SAP and cellulose fluff pulp for reuse as the secondary raw material for the manufacturing of underpads which is schedule for commercialization in the coming Financial Year Ending 30 April 2017 ("FY2017").

Disposal of waste going to landfill largely comprise residual short fiber in form of sludge generated from the waste water treatment plant from our tissue-making machine. By manufacturing the compressed board, we have managed to partially divert the sludge from landfill. In the past, this board is sold to third parties as the base material to produce arch files, but the response has not been very encouraging of late. For this reason and to continue with our journey to achieve "Zero Waste to Landfill", we have decided to embark on the exploration to venture into arch file making in FY2017 while continuing our feasibility study on other usages.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") STATEMENT
(cont'd)

ENSURING SAFETY

The Group protects the health and the safety of its employees, suppliers and visitors, so as to reduce work-related injury and diseases. Heath risk protocols are carried out for new recruits, suppliers and visitors entering our premises. Our employee's safety is protected by constant monitoring of the workplace, ensuring that safety standards at the machines and plants are implemented, organising training programmes and encouraging awareness such as fire drills.

A great deal of attention is also paid to Personal Protective Equipment ("PPE") which is mandatory to all employees where applicable by nature of their job function. The PPE is constantly checked for its efficiency and periodically replaced and upgraded to ensure higher levels of protection and comfort. Accident rate trends are being monitored and each accident is communicated to all employees to inform them of the severity and frequency. This is a form of continuous improvement towards our consistent effort to prevent and reduce such risk from reoccurring.

To help improve safety performance, the Toolbox Talks launched in 2012 is available to all employees with new issues published on biweekly basis. While reminding workers about various common problems on the factory site, these instructive, on-site mini-workshops are also used to target specific safety and health concerns that may arise in the course of the recent events such as heat stroke, dehydration arising from the El Nino phenomenon affecting Malaysia and the spread of Zika virus infection.

HELPING THROUGH OUR BRANDS

Now in its tenth year, the Intimate "Sembang-Sembang Intim" is a highly regarded nation-wide hygiene and heath related school program dedicated to prepare young students to embrace womanhood positively especially on the changes that take place during puberty. The 45 minutes to 1 hour program engages trained personnel from reputable agency where targeted students are introduced to the female reproductive system, menstrual cycle and visual display on the correct use of the sanitary pad. Like in the previous year, we visited 155 primary schools and 100 secondary schools from 17th August 2015 to 9th November 2015, reaching 34,955 students in the process. In addition to that, on separate occasion we continued the tradition of "Sembang-Sembang Intim School" Sampling program to give away free samples of Intimate sanitary pads to 12,500 students in various secondary schools throughout Malaysia.

CORPORATE GOVERNANCE STATEMENT

The Board of NTPM Holdings Berhad ("NTHB" or "the Company") recognises the importance of adopting good corporate governance as vital to the success of NTHB Group's business and is unreservedly committed to applying the principles necessary to ensure that the principles of good governance is practiced in all of its business dealings. The statement below sets out how the Group has applied the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

In preparing this Statement, the Board has considered the manner in which the Company has applied the Principles of the MCCG 2012 and the extent to which it has complied with the Recommendations of the MCCG 2012. The Board is of the opinion that, save as set out below, the Group has generally applied the Principles and complied with the Recommendations set out in MCCG 2012 throughout the financial year ended 30 April 2016:-

	MCCG 2012 Recommendations	Reasons
i.	Establishment 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
ii.	The board must comprise a majority of independent directors where the chairman of the board is not an independent director.	• Dato' Teoh Boon Beng @ Teoh Eng Kuan, being the Chairman of the Board holds a non-executive position and is primarily responsible for matters pertaining to the Board and overall conduct of the Group. Dato' Teoh Boon Beng @ Teoh Eng Kuan is responsible for leading the Board in setting the values and standards of the Company, as well as maintaining a relationship of trust with and between Executive and Non-Executive Directors • The Board after taking into consideration of the Recommendation 3.5 of the MCCG 2012, has assessed the situation and is satisfied with the present Board composition which are able to ensure a balance of power and authority on the Board
iii.	The tenure of an independent director should not exceed a cumulative term of nine years.	• Mr. Lim Han Nge, Independent Non-Executive Director has been serving the Company in that capacity since 2003 for a tenure of more than 9 years • The Nominating Committee has assessed the independence of Mr. Lim Han Nge ("Mr. Lim") and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the justification that Mr. Lim has demonstrated conduct and behavior that is essential indicators of independence, and he is independent of the Company's management and free from any business or other relationship which could interfere with the exercises of independent judgement or the ability to act in the best interest of the Company • In compliance with the Recommendation 3.3 of MCCG 2012, the Board intends to seek its shareholders' approval at this forthcoming Annual General Meeting to retain Mr. Lim as an Independent Director of the Company

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Board should establish clear functions reserved for Board and those to delegate to Management

The Board of Directors is primarily responsible for charting and reviewing the strategic direction of the Group. It monitors and delegates the implementation of the strategic direction to the Management.

The Board understands the importance of the roles and responsibilities between the Board and Management and there is a division of function between the Board and the Management, whereby the former focuses more on the Company's governance; the latter on management in accordance with the direction of and delegation by the Board. Thus, the Board leads the Group and plays a strategic role in overseeing the overall activities of the Management in carrying out the delegated duties in achieving the Group's corporate objectives and long term strategic plans of the business.

The Board has a formal schedule of matters reserved for its decision which include, amongst others, the following:-

- Reviews and adopts a strategic and business plan for the Company
- Oversees the conduct of the Company's business and evaluates whether the business is being properly managed
- Identifies principal risks and ensure the implementation of appropriate systems to manage these risks in order to achieve a proper balance between risk incurred and potential returns to shareholders
- Reviews the adequacy and the integrity of the Company's internal control systems including systems for compliance with the applicable laws, regulations, rules, directive and guidelines. The Board must ensure that there is a satisfactory reporting framework on internal financial controls and regulatory compliance
- Examines its own size and composition to determine the impact on the Board's effectiveness. The Board shall ensure that it has enough Directors to discharge its responsibilities and perform its functions
- Receives and seeks relevant information for the assessment of the performance of the Company
- Establishes the Company's Authority Limits which outline the materiality of any transaction entered into by the Company and determine its approving authorities
- Ensures that the Company's financial statements are true and fair, and comply with all applicable laws and governmental regulations applicable to the Company's business and its conduct

CORPORATE GOVERNANCE STATEMENT
(cont'd)

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.1 Board should establish clear functions reserved for Board and those to delegate to Management (Cont'd)

The Board retains full and effective control of the Group and has developed corporate objectives and position descriptions including the limits to Management's responsibilities, which the Executive Directors are aware and are responsible for meeting. The Board has an understanding of matters reserved to itself for decision, which includes investment policy, approval for major capital expenditures, strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and acquisition activities and reviewing the adequacy of internal control systems.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to the Executive Directors, representing the Management, as well as to certain Committees which each operating within it's clearly defined terms of reference. The Chairman of each Committee will report to the Board on the outcome of the Committee's meetings which also include the key issues deliberated at the Committee's meetings. Minutes of the Committees' meetings are permanent agenda of the Board's meeting and these are circulated at the Board's meeting for notation.

1.2 Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions

There is a clear division of responsibility between the Non-Executive Chairman and Executive Directors to ensure there is a balance of power and authority. The Board has a collective responsibility for the management of the Group. The Non-Executive Directors are responsible for bringing independent judgment and scrutiny to decisions taken by the Board and providing objective challenges to the Management team. All the Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group.

The Chairman is primarily responsible for orderly conduct and working of the Board whilst the Executive Directors are responsible for the day-to-day business operations and implementation of Board policies and decisions.

Reviewing and adopting a strategic plan for the Company

An effective Board is one comprising a combination of executive directors with intimate knowledge of the business and non-executive directors from diversified industry/business background to bring broad business and commercial experience to the Group. The Board provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of long-term shareholders' value.

The Board places great importance on the balance of its Independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Independent Non-Executive Directors are professionals of high calibre and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgment on issues of strategies, performance, resources and standards of conduct. Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision.

The Board plays an active role in the development of the Company's strategy. It has in place an annual strategy planning process, whereby Management presents to the Board its recommended strategy and proposed business plans for the following year at the Board's meeting. The Board reviews and deliberates upon both Management and its own perspectives, as well as challenges Management's views and assumptions to deliver the best outcomes. In furtherance of this, the Board then reviews and approves the annual budget for the ensuing year. On 23 June 2016, the Board, upon after due detailed deliberations, had approved the budget and the capital expenditure for the financial year ending 30 April 2017 as tabled by the Management and presented by the Executive Directors.

During each quarterly meeting, the Board also discusses with Management on the status of the implementation of its strategic or business plan for the Group. The Board also notes and learns from Management the industry that the Group operates in and the challenges faced by the Group. The Group Chief Executive Officer would share with the Board on the competitive operating environment and the strategy adopted by the Company from time to time.

On an annual basis and on the review of the fourth quarterly report, the Group Chief Executive Officer shares with the Board the outlook of the industry and challenges faced by the Group.

The Board is satisfied with the strategic plan of the Company as presented by the Executive Directors and the Management. The Board would continue to review the strategic plan to ensure its implementation.

Overseeing the conduct of the Company's business

The Group Chief Executive Officer is responsible for the day-to-day management of the business and operations of the Company and Group. He is supported by a management team to ensure the operations are carried out smoothly.

At each quarterly meeting, the Board assesses the performance of the Company and Group in line with its plans. The Board participated actively in the discussion of the performance of the Company and Group and the industry as a whole.

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.2 Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions (Cont'd)

Overseeing the conduct of the Company's business (Cont'd)

The Board schedules a minimum of four meetings in a year to consider all matters relating to the overall control, business performance and strategy of the Company. The Board has a regular schedule of matters which are in the agenda and reviewed during the course of the year.

In the financial year under review, amongst the key issues presented for consideration by the Board were:-

(i) Group Chief Executive Officer's Quarterly Reports;
(ii) Quarterly Unaudited Consolidated Results;
(iii) Audited Financial Statements of the Company and of the Group;
(iv) Recurrent Related Parties Transactions;
(v) Major announcements released to Bursa Securities;
(vi) Declaration of Solvency in relation to the shares buy-back;
(vii) Budget and projected capital expenditure;
(viii) Directors' Performance Evaluation;
(ix) Company's Annual Report Statements (which includes the Statement on Corporate Governance, Statement on Risk Management and Internal Control, Audit Committee Report, Statement of Directors' Responsibilities in relation to the financial statements);
(x) Payment of profit sharing incentive and revised structure;
(xi) Update on the share buy-back activities, summary of Directors' dealing in securities and summary of Directors' Circular Resolution passed;
(xii) Executive Directors' remuneration; and
(xiii) Recommendations from Audit Committee and Nominating Committee.

Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Company has in place a Risk Management Framework. The Risk Management Committee adopted the Risk Management Framework as approved by the Board. The Risk Management Committee assists the Audit Committee and Board to identify the principal risks and ensure the implementation of the appropriate internal controls and mitigation measures.

The details of the Risk Management Framework are set out in the Risk Management and Internal Control Statement in this Annual Report.

Succession planning

In accordance with the Recommendation 2.1 of MCCG 2012, the Board has on 8 March 2013 established a Nominating Committee which comprises exclusively of Non-Executive Directors, a majority of whom are independent, to oversee the selection and annual assessment on Directors' performance.

The Nominating Committee in line with its terms of reference assesses the performance of its Directors on an annual basis and also the succession planning for the Principal Officer. The Executive Director, who is slated to eventually take the post of the Group Managing Director has been with the Group for more than 20 years serving in various capacities and is the son of the Group Managing Director. There is therefore, a clear line of succession planning in the Company. Across the Group, the Management had planned for succession planning for the key posts.

Overseeing the development and implementation of a shareholder communications policy for the Company

The Company recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations. The Company aims to build long-term relationships with shareholders and potential investors through appropriate channels for the management and disclosure of information. The Board ensures that all the Company's shareholders are treated equitably and ensure that the rights of all investors, including minority shareholders are protected.

The Company's primary contact with shareholders is through the Managing Director, Group Chief Executive Officer and Company Secretary. These investors are provided with sufficient business, operations and financial information on the Group to enable them to make informed investment decisions. The Company's website has a "Contact Us" section where shareholders and potential investors may direct their enquiries to the Company. The Company will endeavour to reply to these queries in the shortest possible time.

All shareholders' queries will either be received by the Group Chief Executive Officer or the Company Secretary, and they will provide feedback and responses to shareholders' queries and where any information may be regarded as undisclosed material information about the Company, such information will not be made available to a shareholder unless already in the public domain through disclosure.

CORPORATE GOVERNANCE STATEMENT
(cont'd)

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.2 Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions (Cont'd)

Overseeing the development and implementation of a shareholder communications policy for the Company (Cont'd)

The Company disseminates its Annual Report, Notice of Annual General Meeting ("AGM"), Proxy Form and Share Buy-Back Statement, in order to facilitate shareholders' access to such key information. Shareholders are encouraged to attend the AGM of the Company and to raise question and vote on the proposed resolutions. The External Auditors and advisers would be in the AGM and are available to answer relevant queries.

Apart from this, the Company also makes announcements relating to the quarterly results and other relevant announcements to Bursa Malaysia Securities Berhad ("Bursa Securities") via Bursa Link to provide stakeholders with material key information which could affect their decision making, thus enhancing the level of the Company's transparency.

Reviewing the adequacy and the integrity of the management information and internal controls system of the Company

The Board is responsible for the adequacy and the integrity of the management information and internal controls system of the Company. Details of the Internal Control systems are set out in the Risk Management and Internal Control Statement in this Annual Report.

1.3 Formalise ethical standards through a code of conduct and ensure its compliance

The Board has in place a Code of Conduct for the Directors and employees. The Code of Conduct includes amongst others the respect for the individual, create a culture of open and honest communication, set tone at the top, uphold the law, avoid conflicts of interest, set metrics and report results accurately. The Code of Conduct is available for reference at the Company's website at www.ntpm.com.my. In addition to the Directors' Code of Ethics as set out in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, the Group's Core Values also give emphasis on the behavioural ethics and conduct that sets out the sound principles and standards of good practice within the Group's business landscape, which are expected to be observed by the Directors and employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with various stakeholders such as shareholders, customers, fellow employees and regulators.

The Directors have a duty to declare immediately to the Board should they be interested in any transaction to be entered into directly or indirectly by the Company. An interested Director is required to abstain from deliberations and decisions of the Board on the transaction and he does not exercise any influence over the Board in respect of the transaction. In the event a corporate proposal is required to be approved by shareholders, interested Directors are required to abstain from voting in respect of their shareholdings in the Company on the resolutions pertaining to the corporate proposal, and will further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions.

The Board has formalised and adopted the Whistleblowing Policy on 23 June 2016. The Whistleblowing Policy serves as an essential part of NTHB Group's internal control system setting out a framework for all employees and stakeholders of NTHB Group to report concern about any malpractice within NTHB Group. It also helps to nurture a good organizational culture with NTHB Group and develop a culture of openness, transparency, accountability and integrity, which ultimately formulates standards of corporate behavior creating an ethical corporate climate. The Whistleblowing Policy is available at the Company's website.

1.4 Ensure the Company's strategy to promote sustainability

The Board promotes good Corporate Governance in the application of sustainability practices throughout the Company and the Group, the benefits of which are believed to translate into better corporate performance. A detailed report on sustainability activities, demonstrating the Company's commitment to the global environmental, social, governance and sustainability agenda, appears in the Corporate Social Responsibility Statement of this Annual Report and corporate website.

1.5 Procedures to allow the Directors access to information and advice

Each Board meeting is scheduled three months in advance so that the Directors are able to plan ahead their respective meeting schedules. The Board holds regular meetings of not less than 4 times a year. Special Board meetings may be convened as and when necessary to consider urgent proposals and matters that require the Board's expeditious review or consideration.

The Board meetings are chaired by the Chairman who has the responsibility of ensuring that there is adequate and sufficient time for discussion of items on the agenda. To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda. The agenda together with comprehensive management reports and proposal papers are furnished to the Directors at least 7 days before convening the Board meeting. This is to allow time for the Directors to review the Board papers and to facilitate full discussion at the Board meeting.

The Board meeting papers are prepared and presented in a concise and comprehensive manner providing the Directors a proper and relevant depiction of the issues, so that the Board deliberations and decision-making are performed systematically and in a well-informed manner. The minutes of the Board meetings together with its notice and papers are circulated to all Directors for their perusal prior to the commencement of each Board meeting. The Directors may request for clarification or raise comments before the minutes are tabled for confirmation from all the members at the Board meetings as a correct record of the proceedings of the meeting.

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.5 Procedures to allow the Directors access to information and advice (Cont'd)

At the Board meetings, respective Chairmen of the Board Committees will report, advise and recommend to the Board, salient views and conclusions of their respective agendas. The Board has access to reports, papers on specific issues, information on major financial and operational matters. Management supplies sufficient information to the Board in a timely manner to enable the Board to discharge its duties effectively. The Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them. In this way the Board has full access to all information on the Company's affairs to enable the proper discharge of duties.

In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Chairman or the Board, depending on the quantum of the fees involved.

1.6 Ensure Board is supported by suitably qualified and competent Company Secretary

The Board is supported by a qualified and competent Company Secretary who is a Fellow Member of the Malaysian Association of the Institute of Chartered Secretaries and Administrators, with more than twenty (20) years of experience in company secretarial practice.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its functions. The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Board has ready and unrestricted access to the advice and services of the Company Secretary, who is considered capable of carrying out the duties to which the post entails.

The Company Secretary provides support to the Chairman to ensure the effective functioning of the Board and also organises and attends all Board meetings and Board Committees meetings, ensuring that an accurate and proper record of deliberation of issues discussed, decisions and conclusions are taken.

The Company Secretary also serves notices to the Directors and Principal Officers on the closed periods for trading in the Company's shares, in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 of the Bursa Securities Main Market Listing Requirements ("Listing Requirements").

The Company Secretary records, prepares and circulates the minutes of the meetings of the Board and Board Committees and ensures that the minutes are properly kept at the registered office of the Company and produced for inspection, if required. In addition, the Company Secretary also updates the Board regularly on amendments to the Listing Requirements, practice and guidance notes, circulars from Bursa Securities, legal and regulatory developments and impact, if any, to the Company and its business.

1.7 Formalise, periodically review and make public the Board Charter

The Board had in year 2013 formalised a Board Charter ("Charter") to document these roles and responsibilities to ensure accountability of both parties and the Board is guided by the Charter which provides reference for Directors in relation to the Board's role, powers, duties and functions. The Charter also serves as a reference point for the Board's activities where the Board has established clear functions reserved for the Board and those delegated to Board Committee.

The Charter is reviewed on a regular basis so as to be in line with the latest statutory and regulatory requirements, as well as NTHB Group's operational and business direction. The Board had on 23 June 2016 reviewed the Charter to comply with the recommendations of MCCG 2012.

The Charter can be found at the Company's website.

PRINCIPLE 2 – STRENGTHEN COMPOSITION

2.1 Establish a Nominating Committee which should comprise exclusively non-executive directors, a majority of whom must be independent

The Nominating Committee was set up on 8 March 2013 and comprises three (3) Non-Executive Directors. In compliance with the recommendations of MCCG 2012, the Chairman of the Nominating Committee is also the Senior Independent Non-Executive Director as identified by the Board, to whom any concern from the shareholders may be conveyed.

The composition of the Nominating Committee is as follows:-

- Lim Han Nge - Chairman
- Chang Kong Foo - Member
- Dr. Teoh Teik Toe - Member

PRINCIPLE 2 – STRENGTHEN COMPOSITION (CONT'D)

2.1 Establish a Nominating Committee which should comprise exclusively non-executive directors, a majority of whom must be independent (Cont'd)

During the financial year ended 30 April 2016, the Nominating Committee met once with full attendance by its members.

The key activities carried by Nominating Committee during financial year 2016 are summarised as follows:-

(i) The Nominating Committee conducted the annual assessment of the performance of the Board as a whole for the year ended 30 April 2016.

Based on the annual assessment of Board, it was concluded that the Board has discharged its duties and responsibilities adequately.

(ii) Further, in line with Recommendation 3.1 of the MCCG 2012, the Nominating Committee conducted its annual assessment of the Independent Directors and made its recommendations to the Board. The Board was satisfied with the level of independence demonstrated by each and every one of the Independent Directors on Board of the Company.

(iii) The Nominating Committee had duly considered and recommended the re-election of the Directors who are subject to retirement by rotation at the forthcoming AGM of the Company. Apart from the qualifications and competencies of the said Director, the Nominating Committee's review on the proposed re-election as Directors takes into account the mix of skills, experience and contribution bring to the Board.

Re-election of Directors of the Company is in accordance with the Company's Articles of Association. In accordance with Articles 133 of the Company's Articles of Association, an election of the Directors shall take place each year. At every AGM, at least one-third (or nearest to one-third if their number is not 3, or a multiple of 3) of the Directors are subject to retirement by rotation but shall eligible for re-election. All Directors shall retire from office at least once in each 3 years but shall eligible for re-election.

The Board believes that a diverse range of skills and experience is fundamental to good governance and constructive Board. Hence, the Board is committed in ensuring that its composition reflects the diversity in line with Recommendation 2.2 of the MCCG 2012.

The Board also acknowledges that diversity is not limited to gender alone, but encompasses ethnicity/race, age as well as nationality. Presently, the current Board composition comprises of six male Directors and one male Alternate Director. Nevertheless, the Board is satisfied with the current optimum Board size and is of the view that the current composition continues to have a strong, committed and dynamic board with the right mix of skills and balance to contribute to the achievement of the Company's goals.

The Board comprises of highly qualified professionals with diverse backgrounds and specialisations. Together, they bring in considerable knowledge, judgment and experience to the Board to provide the right guidance to the Management Team. Additionally, the Board has a good mix of technical and commercial experience relevant to the operation of the Company. These include, inter alia, commerce, finance, accounting, taxation, information technology and legal with industry knowledge in fast moving consumer goods. The current Board also creates positive and value-relevant impact on the Company. While the Board strives to promote diversity, appointments of Directors are still premised on merit and their knowledge and expertise, which must be relevant to the Company.

2.2 Nominating Committee should develop, maintain and review criteria for recruitment process and annual assessment of directors

The Nominating Committee is empowered to bring to the Board, recommendations as to the appointment of any new director or to fill board vacancies as and when they arise. In making its recommendation, the Nominating Committee will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board. The terms of reference of the Nominating Committee could be found at the Company's website.

The Nominating Committee also ensures that the Board has an appropriate balance of expertise and ability. For this purpose, the Committee regularly reviews the profile of the required skills and attributes. This profile is used to assess the suitability as executive or non-executive directors of candidates put forward by the directors and outside consultants.

The process of assessing the Directors is an on-going responsibility of the Nominating Committee and the Board. The Nominating Committee and the Board have put in place a formal evaluation process to assess the effectiveness of the Board as a whole annually.

All assessments and evaluations carried out by the Nominating Committee and the Board in discharging their functions have been well documented.

During the financial year 2016, the Nominating Committee conducted an annual assessment of its Directors and the effectiveness of the Board of Directors as a whole. The performance of the Board as a whole as well as Board Committees if applicable are assessed annually via an evaluation survey questionnaire known as Board Evaluation Questionnaire (Questionnaire), to evaluate the overall performance against the criteria as set out in the Questionnaire. The aim of the Questionnaire is to enhance its effectiveness, strength and to identify areas that need to be improved.

PRINCIPLE 2 – STRENGTHEN COMPOSITION (CONT'D)

2.2 Nominating Committee should develop, maintain and review criteria for recruitment process and annual assessment of directors (Cont'd)

The Questionnaire is divided into eight (8) sections as follows:-

(i) Board Structure
(ii) Conduct of Meetings
(iii) Corporate Strategy and Planning
(iv) Risk Management and Internal Control
(v) Measuring and Monitoring Performance
(vi) Compensation
(vii) Financial and Regulatory Reporting
(viii) Communication with Shareholders

The main criteria set out in the abovementioned sections are as follows:-

- Ideal mix of core skill and competency to discharge its responsibility and strong independent element of the Board
- Satisfaction with the quality of materials and presentations in the meetings and timely circulation of meeting papers before commencement of the meetings
- Division of authority in Management and its resources and approval of Group's strategic decision
- Effectiveness of Risk Management and Internal Control system
- Safeguarding shareholders' return by monitoring Management's key performance
- Endorsement of framework for the Board's remuneration
- Satisfaction with procedures in place to ensure the Company is meeting its legal and regulatory requirement
- Understanding the information demand of stakeholders and effective communication with shareholders

During the financial year under review, the Questionnaire was conducted on the Board by the Nominating Committee as a whole. The Company Secretary runs through all the points in the Questionnaire with the members of the Nominating Committee for discussion in the Nominating Committee meeting. The findings of the Questionnaire carried out in March 2016 confirmed that the Board have discharged their duties and responsibilities effectively for financial year 2016. On this, the Board also concurred with the Nominating Committee's recommendation and findings to maintain the optimum Board size. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions among members of the Board.

The Board also conducted an assessment of the Directors who are subject to retirement at the forthcoming AGM in accordance with the provisions of the Articles of Association of the Company and the relevant provisions of the Companies Act, 1965.

The Nominating Committee also ensures that the procedures for appointing new Directors are transparent, rigorous and that appointments are made on merit and against objective criteria for the purpose. Based on the Nominating Committee's terms of reference, besides evaluating the skills, professionalism, integrity, knowledge and experience of the candidates, the Nominating Committee also takes into consideration the following factors:-

- Whether the individual meets the requirements for independence as defined in the Listing Requirements
- Give full consideration to succession planning for directors in the course of its works, taking into account the challenges and opportunities facing the Company and the skills and expertise required on the Board in the future

The nomination and election process for new director(s) is as follows:-

(1) The Nominating Committee receives a nomination from:-
  a. A Director of the Company; or
  b. Requisition from the shareholders.
(2) The Nominating Committee shall review the proposed candidate(s) and if need be, to meet up with the candidate(s) for an interview;
(3) The Nominating Committee shall report its findings and recommendations to the Board for consideration;
(4) If the nomination is from one of the Directors, the election process shall be conducted at a meeting of the Directors by show of hands;
(5) If the nomination is from the shareholders, the election process shall be conducted at an AGM or Extraordinary General Meeting by show of hands or poll, as the case maybe;
(6) In the event the number of candidates exceed the maximum number of directors in accordance with the Articles of Association, the candidates with the highest votes are considered elected as directors; and
(7) For item (6), if there is an equality of votes, and there are candidates who still exceed the number of vacancies, the election process for these excess candidates shall continue to be conducted to get the highest votes until the vacancies are filled.

The Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board, the Nominating Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

CORPORATE GOVERNANCE STATEMENT
(cont'd)

PRINCIPLE 2 – STRENGTHEN COMPOSITION (CONT'D)

2.3 Board should establish formal and transparent remuneration policies and procedures to attract and retain directors

The Board currently does not set up the Remuneration Committee to review the remuneration of the Executive Directors. Nevertheless, the Board views that 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.

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

During the financial year 2016, the Board had performed its duty to assess annually the remuneration package of its Executive Directors and Senior Management.

The proposal of Non-Executive Directors' remuneration is determined by the Board which comprises the following:-

Directors' Fees	These fees are payable to the Non-Executive Directors and are recommended by the Board for the approval of the shareholders at each Annual General Meeting.
Meeting Allowances	These allowances are payable to the Non-Executive Directors for attendance of the Board and Committee meetings. The meeting allowance is determined by the Board.

A summary of the remuneration of the Company's Directors for the services rendered to the Company and the Group for the financial year ended 30 April 2016 are analysed as follows:-

Company	Fees RM	Salaries & Bonuses RM	Benefit-in Kind RM	Allowance RM	Total RM
Executive Directors	120,000	3,928,290	28,000	Nil	4,076,290
Non-Executive Directors	240,000	Nil	Nil	8,000	248,000

Group	Fees RM	Salaries & Bonuses RM	Benefit-in Kind RM	Allowance RM	Total RM
Executive Directors	120,000	3,928,290	45,400	Nil	4,093,690
Non-Executive Directors	240,000	Nil	Nil	8,000	248,000

The number of Directors in the office at the end of the financial year and their total remuneration from the Group categorised into the various bands are as follows:-

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
RM50,001 and RM100,000	–	4
RM1,350,001 – RM1,400,000	1	–
RM2,650,001 – RM2,700,000	1	–

PRINCIPLE 3 – REINFORCE INDEPENDENCE

3.1 Board should undertake an assessment of its independent directors annually

A proposed Director must satisfy the test of independence of an "independent director" as defined under Paragraph 1.01 and Practice Note 13 of the Listing Requirements that he/she is independent of Management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company, taking into account the candidate's character, integrity and professionalism.

The Board through the Nominating Committee assesses the Independent Directors on an annual basis, with a view to ensure the Independent Directors bring independent and objective judgement to the Board and this mitigates potential conflict of interest or undue influence from interested parties. Where there is a likely conflict of interest position, the Board would take appropriate action to rectify the situation. Should any Director have an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in the discussions and voting on the matter.

PRINCIPLE 3 – REINFORCE INDEPENDENCE (CONT'D)

3.1 Board should undertake an assessment of its independent directors annually (Cont'd)

For the financial year ended 30 April 2016, all Independent Non-Executive Directors had provided their confirmation of independence to the Nominating Committee and the Board based on the Company's criteria of assessing independence in line with the definition of "independent directors" prescribed by the Listing Requirements. The Nominating Committee and the Board had assessed and concluded that all the two Independent Non-Executive Directors of the Company remain independence.

In addition to the above, all the Directors are also required to confirm on an annual basis if they have any family relationship with any other Director and/or major shareholders of the Company, if there are any conflict of interest with the Company and if they have been convicted of any offence within the past five years other than traffic offence. These information, together with the annual evaluation and assessment of the Board during the financial year, form the basis and justification for recommending whether the retiring Directors should be nominated for re-election or re-appointment at the AGM, as the case may be.

3.2 Tenure of Independent Director should not exceed cumulative term of 9 years. Upon completion of tenure, Independent Director can continue serving but as Non-Executive Director

One of the recommendations of the MCCG 2012 states that the tenure of an Independent Director should be capped at 9 years, either for a consecutive service of 9 years or a cumulative service of nine years with intervals. Upon completion of the nine years' tenure in office, an Independent Director may continue to serve on the Board of Company subject to the re-designation as a Non-Independent Director.

Based on the records of the Company, the longest serving Independent Director is Mr. Lim Han Nge who was appointed to the Board on 29 January 2003.

However, the Nominating Committee and the Board have assessed the Independence of Mr. Lim Han Nge, who has served on the Board for more than nine years and is satisfied with the skills, contribution and independent judgment that Mr. Lim Han Nge brings to the Board and was of the view that Mr. Lim remains objective and independent in expressing his views and in participating in deliberations and decision making of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interests of the Company. The Board therefore approved the Nominating Committee's recommendations and supported their proposed extension and in line with the Recommendation 3.3 of MCCG 2012, the Company will be seeking its shareholders' approval at this forthcoming AGM to retain Mr. Lim Han Nge as an Independent Director of the Company.

The recommendation is based on his exemplary leadership and dedication to his responsibilities as the Senior Independent Non-Executive Director and Chairman of the Nominating Committee. His vast experience in the Company also allows him to provide guidance to the Management team especially in setting the strategies and direction of the Company especially in areas pertaining to legal matters. He has contributed significantly to ensure effective check and balance in the proceedings of the Board and he is practical in his analysis and assessment, vocal in his outlook and views and has provided the Board with a strong and principled voice.

His experience in various companies and capacities suits the Company's required mix of skills and Board diversity. He has also provided unwavering support to the Company's initiatives in implementing relevant strategies in moving the Company forward and strengthening the Company's credibility and reputation as the leader in the tissue making and fast moving consumer goods industry. His tenure in the Board has given him an in depth understanding of the business environment in which the Company operates, including the challenges faced by the Company.

3.3 Must justify and seek shareholders' approval in retaining Independent Directors (serving more than 9 years)

This was explained in the foregoing section.

3.4 Positions of Chairman and Managing Director to be held by different individuals

The position of Chairman and Managing Director are held by two different individuals.

The Chairman is responsible for leading and ensuring the adequacy and effectiveness of the Board's performance and governance process, and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated. He works closely with the rest of the Board members in reviewing policy framework and strategies to align the business activities driven by the Management Team. The Managing Director, supported by the Group Chief Executive Officer and Management Team, implements the Group's policies and decisions as adopted by the Board, overseeing the operations as well as developing, coordinating and implementing business and corporate strategies.

The distinct and separate role of the Chairman and Managing Director, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

CORPORATE GOVERNANCE STATEMENT
(cont'd)

PRINCIPLE 3 – REINFORCE INDEPENDENCE (CONT'D)

3.5 The Board must comprise a majority Independent Directors if the Chairman is not an Independent Director

The Board is mindful on the Recommendations of MCCG 2012 that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. However, the Board has assessed the situation and is satisfied with the present Board composition which comprises sufficient Independent Directors of the Board with wide boardroom experience and expertise to provide the necessary check and balance.

The size of the Board is appropriate given the complexity of the Company's business, and the significant time demands placed on the Independent Non-Executive Directors who also serve as Members of Board Committees.

The Board currently has seven (7) Directors comprising two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors, two (2) Independent Non-Executive Directors and one (1) Alternate Director. The Board has complied with the Listing Requirements that at least two (2) Directors or 1/3 of the Board, whichever is the higher, are 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 11 to 12 of this Annual Report.

There is a clear division of roles and responsibilities between the Chairman (non-executive) and the Managing Director (executive capacity) to ensure there is a balance of power and authority. The Chairman holds a non-executive position and is primarily responsible for matters pertaining to 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 and Mr. Lim Han Nge is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

PRINCIPLE 4 – FOSTER COMMITMENT

4.1 Board should set expectations on time commitment for its members and protocols for accepting new directorships

The Board meets at least, quarterly, to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meeting will be called when and if necessary. The relevant reports and Board Papers are distributed to all Directors in advance of the Board Meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during the meetings. All pertinent issues discussed at the meetings in arriving at decisions and conclusions are properly recorded in the discharge of the Board's duties and responsibilities.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. The attendance record of the Directors for the financial year ended 30 April 2016 was satisfactory. This is evidenced by the attendance record of the Directors at the Board meetings as set out in the below table:-

Director	Total Attendance	Percentage (%)
Dato' Teoh Boon Beng @ Teoh Eng Kuan	3/4	75
Lee See Jin	4/4	100
Lee Chong Choon	4/4	100
Dr. Teoh Teik Toe	4/4	100
Lim Han Nge	4/4	100
Chang Kong Foo	4/4	100
Teoh Teik Lin	3/4	75

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meeting as stipulated in the Listing Requirements. In the interval between Board Meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board Meeting.

Currently, none of the Directors hold directorship in the other listed companies. The Board is reminded to notify the Chairman before accepting any new directorship.

PRINCIPLE 4 – FOSTER COMMITMENT (CONT'D)

4.2 Board should ensure members have access to appropriate continuing education programme

Upon joining the Board, all newly appointed Directors receive an overview on all areas of the Company's business. All existing Directors of the Company have also completed the Mandatory Accreditation Programme (MAP). Any Director appointed to the Board is required to complete the MAP within four months from the date of appointment. Following the repeal of the Continuing Education Programme (CEP) requirements prescribed by Bursa Securities with effect from 1 January 2005, the Board as a whole continues to evaluate and determine the training needs of the Directors to ensure continuing education to assist them in the discharge of their duties as Directors.

In evaluating the training needs of the Directors, the Board as a whole deliberates and looks at various aspects of development including industry and regulatory developments. In addition, the Directors also receive regular updates on training programmes from various organisations including the regulators.

The Directors are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast with current developments in the market place and with new statutory and regulatory requirements. They are provided with updates from time to time on relevant new laws and regulations affecting their directorships and relevant compliances.

The Directors observe Recommendation 4.2 of the MCCG 2012 by attending conferences, briefings and workshops to update their knowledge and enhance their skills. All Directors attended at least one seminar or training programme during the financial year.

During the financial year ended 30 April 2016, the training programmes and seminars attended by the Directors are as follows:-

Title of Seminar / Workshops / Courses	Mode of Training	No. of Hours Spent
Dato' Teoh Boon Beng @ Teoh Eng Kuan		
• Risk Management and Internal Control Program	Workshop	8 hours
Lee See Jin		
• Risk Management and Internal Control Program	Workshop	8 hours
Lee Chong Choon		
• Risk Management and Internal Control Program	Workshop	8 hours
Lim Han Nge		
• Nominating Committee Programme Part 2 - Effective Board Evaluations for Chairman of Board and Nominating Committee Chairman	Seminar	8 hours
• Risk Management and Internal Control Program	Workshop	8 hours
Dr. Teoh Teik Toe		
• Overview of Certified Internal Auditors courses	Course	36 hours
Chang Kong Foo		
• Risk Management and Internal Control Program	Workshop	8 hours
• National Tax Conference 2015	Conference	16 hours
• Seminar Percukaian Kebangsaan 2015	Seminar	8 hours
• CAS International Annual Executive Conference	Conference	16hours
Teoh Teik Lin		
• The Impact of ASEAN Economic Community ("AEC") & Trans-Pacific Partnership Agreement ("TPPA") on Malaysia Economy	Seminar	8 hours

The Company Secretary circulates the relevant guidelines on statutory and regulatory requirements from time to time to the Board for reference and briefs the Board on these updates during the Board meetings. The External Auditors also continuously brief the Audit Committee on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year. These updates are also circulated to the Directors via email for their knowledge and understanding.

During the financial year 2016, the Directors were updated by the Company Secretary during its Meeting on the regulatory updates including amendments to the Listing Requirements regarding to Sustainability Statement in Annual Reports of Listed Issuers and the Sustainability Reporting Guide and Toolkits. The Board was also briefed on the Analysis of Corporate Governance Disclosure in Annual Report of the Company for the financial year 2015 and took note of the recommendations made by Bursa Securities based on their findings and analysis.

CORPORATE GOVERNANCE STATEMENT
(cont'd)

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Audit Committee should ensure financial statements comply with applicable financial reporting standards

In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board is responsible to present a balanced and meaningful assessment of the Group's position and prospect and to ensure that the financial statements are drawn up in accordance with the provisions of Companies Act, 1965 and applicable accounting standards in Malaysia. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness.

The composition and the key functions of the Audit Committee as well as the summary of its activities are as set out in the Audit Committee Report on pages 34 to 37 of this Annual Report.

The Audit Committee, amongst others, has been delegated with the responsibilities to review the quarterly reports and annual audited financial statements of the Group, focusing particularly on:-

(a) changes in or implementation of major accounting policy changes;
(b) significant and unusual events; and
(c) compliance with accounting standards and other legal requirements.

The Audit Committee discussed with the External Auditors on their observations in relation to significant accounting and auditing issues as well as the relevancy and appropriateness of the accounting principles applied and judgement affecting the financial statements.

The Board, assisted by the Audit Committee, oversees the financial reporting process and the reliability of the financial reporting of the Company and the Group. The Responsibility Statement by the Directors pursuant to the Listing Requirements in relation to the financial statements is set out in page 42 of this Annual Report.

At least twice a year, meetings are held without the presence of the Management of the Company to ensure that the External Auditors can freely discuss and express their opinions on any matter to the Audit Committee, and the Audit Committee can be sufficiently assured that the Management has fully provided all relevant information and responded to all queries from the External Auditors. In addition, the External Auditors are invited to attend the AGM of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

In addition to the above, the Board has received assurance from the Group Chief Executive Officer and the Financial Controller that the Group's internal control system is operating adequately and effectively, in all material aspects, based on internal control system of the Group. The Group Chief Executive Officer and the Financial Controller provide the assurance to the Audit Committee that adequate processes and controls are in place, the appropriate accounting policies has been adopted and that the relevant financial statements give a true and fair view of the state of affairs of the Group in compliance with the relevant Malaysian Financial Reporting Standards and the provisions of the Companies Act, 1965. The Audit Committee met four times during the financial year ended 30 April 2016 with full attendance by all the Audit Committee members.

5.2 Audit Committee should have policies and procedures to assess suitability and independence of external auditors

The Board's obligation to establish formal and transparent arrangements in considering how it should apply financial reporting and internal controls, and maintaining an appropriate relationship with the Group's External Auditors is met through the Audit Committee. The Group has a formalized policy to assess the suitability and independence of the External Auditors.

On an annual basis, the Audit Committee would review and monitor the suitability and independence of the External Auditors based on the prescribed External Auditor Performance and Independence Checklist. An assessment of the objectivity, independence, audit processes, audit scope, performance, experience, competency and quality of service delivery of the Group's External Auditors was conducted by the Audit Committees. The assessment was made in accordance with the established policy practiced by the Company to assess the suitability and independence of External Auditors.

As part of this review the Audit Committee will obtain feedback from the members of Management regarding the quality of the audit service. There were no major gaps identified and the Audit Committee is satisfied with the result of the assessment and subsequently made the necessary recommendation to the Board.

The Audit Committee noted that the total amount of fees paid for non-audit services rendered to the Group by the External Auditors for the financial year 2016 were RM81,128 only. The Audit Committee has considered the provision of non-audit services by the External Auditors during the year and concluded that the provision of these services did not compromise the External Auditors' independence and objectivity as the amount of the fees paid for these services was not significant when compared to the total fees paid to the External Auditors.

The Audit Committee has obtained a written assurance from the External Auditors confirming that they were, and has been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee is satisfied with the competence and independence of the External Auditors and had recommended the re-appointment of the External Auditors to the Directors. On 23 June 2016, the Board, upon concurrence with the outcome of assessment, approved the re-appointment of the External Auditors, Ernst & Young for shareholders' approval at the coming AGM.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS

6.1 Board should establish a sound framework to manage risks

The Board has put in a risk management framework and ongoing process to assess the various types of risks, which might have an impact on the profitable operation of the Group's business. These include strategic risk, operational risk and project risk. The following outlines the Group's risk management policies:-

(a) to weigh business decisions against the philosophy that business risks would be necessarily incurred if the associated rewards are expected to enhance the Group's shareholder value;

(b) to ensure risks which may have a significant impact upon the Group are identified in a manner which would result in their expeditious treatment;

(c) to provide reasonable assurance to the Group's stakeholders that the probability of attaining Group's objectives would be enhanced by the establishment of an Enterprise Risk Management ("ERM") framework;

(d) to establish an environment or platform whereby risk management activities is effectively undertaken;

(e) to manage risks by adopting best practice methodologies for the identification, analysis, evaluation, reporting, treatment and monitoring of risks; and

(f) to provide an assurance regarding the extent of Group's compliance with regulatory requirements and the policies and procedures in place.

The Company had appointed an external consultant to establish the Enterprise Risk Management ("ERM") Framework, which was completed in September 2003. The ERM Framework provides a systematic approach to identify, assess, monitor as well as manage risk across the Group. The Board through the Audit Committee obtains reports from the internal auditors on the periodic checks on the internal control systems and on-going review of its ERM Framework.

The Group's ERM framework is aligned with its long term strategic objectives and embedded in the daily operations of individual companies within the Group. This ERM system is an ongoing and systematic process to identify, assess, respond and monitor risks. In accordance with the Group's ERM, the Risk Management Committee ("RMC") oversees the Group's risk management process. The RMC consists of the Managing Director, Chief Executive Officer and Internal Auditors (Risk Management coordinator). Each business unit has its own Risk Management Unit ("RMU") which consists of managers and key staff. Each RMU is tasked to identify major business and compliance risks concerning their respective business units, oversees and ensures integration of risk management into their business processes to safeguard the interest of the Group covering strategic, operations, factories' facilities, sales, human resource, finance and compliance risks. Risks are identified and assessed by employing the following methodologies:-

- Identification of risks by the process owners
- Assessment of the likelihood and impact of the risks identified
- Evaluating the control strategies in relation to the risks
- Formulating action plan to address control deficiencies
- Setting Key Risk Indicators to monitor the risks

Formal database of risks and controls information arising from the quarterly risk assessment exercise are captured in the format of risk registers. The identified risks are assessed and rated from low, moderate, high to significant depending upon the severity of consequence and the likelihood of its occurrence and financial impact on the Group's cash flow and profit. The RMU of each business unit reports to the RMC and the RMC will then meet to discuss and evaluate the RMUs' reports for adoption. Thereafter, the Risk Management coordinator, and where applicable the owner of the risk profile presents the Group's Risk Report and updates the AC every three months on the status of the Group's ERM process, changes in risk profiles and their controls in place. At the date of this report, the Group has a totaled of 33 residual risk profiles of which eleven (11) is classified as either high or significant.

6.2 Board should establish an internal audit function which reports directly to Audit Committee

The Group has established its own in-house Internal Audit Department ("IAD"), whose internal audit function is independent of the Group's business activities, operating entities and divisions. Its principal activities undertake regular and systematic audit of the Group's operating entities and divisions, reviewing and testing the system of internal controls including Enterprise Risk Management and governance processes so as to provide independent and objective assurance that such systems are effective and are operating satisfactorily. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system.

The IAD's operation is guided by Internal Audit Charter which was approved by the Audit Committee. Audit engagement is focused on areas of priority according to their annual risk assessment and in accordance with the annual strategic audit plans approved by the Audit Committee.

CORPORATE GOVERNANCE STATEMENT
(cont'd)

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS (CONT'D)

6.2 Board should establish an internal audit function which reports directly to Audit Committee (Cont'd)

The key duties and responsibilities undertaken by IAD include:-

- review and appraise the soundness and adequacy of internal control
- ascertain the extent of compliance with internal policies, procedures and standard
- identify opportunities for process and internal control improvement
- coordinate Enterprise Risk Management activities
- review compliance with applicable rules and regulation
- carry out special ad-hoc audit at Audit Committee and/or Management's request

The Head of the IAD attends the meetings and reports directly to the Audit Committee on the annual internal audit plan and internal audit reports on the audit conducted in accordance with the annual audit plan.

During the financial year, the IAD has issued 22 audit reports to Audit Committee and Management in regards to any major audit finding on the weaknesses in the system and controls of the operation. Areas for improvement were highlighted and the implementation of recommendations was monitored. None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The total costs of the maintaining the internal audit function in respect of the financial year ended 30 April 2016 is approximately RM359,036.

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Ensure company has appropriate corporate disclosure policies and procedures

The Board has in place a Corporate Disclosure Policy in line with the Listing Requirements. The Group Managing Director and the Group Chief Executive Officer are the spokespersons of the Company on all matters relating to the Company to ensure compliance with the disclosure obligations as well as overseeing and coordinating disclosure of information. The Board has delegated the authority to the Executive Directors to approve all announcements for release to Bursa Securities. The Group Managing Director and/or the Group Chief Executive Officer work closely with the Board, the Senior Management and the Company Secretary who are privy to the information to maintain strict confidentiality of the information.

7.2 Encourage company to leverage on information technology for effective dissemination of information

The Company's website incorporates an "Investor Relations" section where the industry's outlook and Group's performance would be captured for the investors' notation, in addition to the announcements released by the Company to Bursa Securities which are captured under the "Announcement" section of the corporate webpage. Under the corporate webpage, the public can also access the corporate information, financial information, corporate governance matters and other corporate policies.

These investors are provided with sufficient business, operations and financial information on the Group to enable them to make informed investment decisions.

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Take reasonable steps to encourage shareholder participation at general meetings

The Company recognises that strengthening the relationship between the Company and its shareholders is an important aspect of upholding the principles and best practices of corporate governance. The Company aims to strengthen the mutual relationship with its shareholders and investors to maintain a high level of shareholder and investor confidence and to ensure a stable and longer-term value creation.

As part of ongoing effort to strengthen relationship with its shareholders, the Company continuously discloses and disseminates relevant information in a timely manner to its shareholders. This practice is not just to comply with the Listing Requirements pertaining to continuing disclosure, it is also in accordance with the recommendations as recommended in the MCCG 2012 with regard to strengthening engagement and communication with shareholders.

The Company provides information to the shareholders with regard to, amongst others, details of the AGM, their entitlement to attend the AGM, the right to appoint a proxy and also the right of a proxy.

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (CONT'D)

8.1 Take reasonable steps to encourage shareholder participation at general meetings (Cont'd)

The Managing Director, Group Chief Executive Officer and Senior Management personnel participate in discussion with shareholders to ensure they are given as accurate and fair representation of the Group's performance and position.

Dialogues and discussions with investors and analysts are conducted within the framework of the relevant Corporate Disclosure Guidelines under the Listing Requirements and comply with the Best Practices in Corporate Disclosure published by the Malaysian Institute of Chartered Secretaries and Administrators.

8.2 Board should encourage poll voting

In line with the amendments made to the Listing Requirements, the voting at the forthcoming AGM will be conducted by poll, instead of by show of hands. Poll voting more accurately and fairly reflects shareholders' views by ensuring that every vote is recognized, in accordance with the principle of "one share one vote". The practice thus enforces greater shareholder rights, and allows shareholders who appoint the Chairman of the meeting as their proxy to have their votes properly countered in the fulfillment of their voting rights.

Poll voting could be conducted manually using voting slips, or electronically, for the purpose of more efficiently determining the outcome of resolutions. All shareholders were briefed on the voting procedures by the independent scrutineer prior to the poll voting at the general meetings and the polling process for the resolutions will normally be conducted upon completion of deliberation of all items to be transacted at the AGM.

8.3 Board should promote effective communication and proactive engagements with shareholders

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the Listing Requirements. It also adopts the Recommendations of MCCG 2012 with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the Annual Report are also governed by the Listing Requirements.

Another key avenue of communication with its shareholders is the Company's AGM, which provides a useful forum for shareholders to engage directly with the Company's Directors. At each AGM, the Directors of the Company will be present at the meetings to answer any questions that the shareholders may ask. The Chairman of the meeting provides time for the shareholders to ask questions for each agenda in the notice of the AGM. The External Auditors are also present at the AGM to answer any questions that the shareholders may ask. The shareholders are also able to meet with the Directors after the meeting while they mingled with the shareholders, proxies and corporate representatives.

COMPLIANCE STATEMENT

The Board is satisfied that in financial year 2016, save for the above relevant explanations, the Company has in all material aspects in compliance with Principles and Recommendations of the MCCG 2012.

This Statement is made in accordance with the resolution of the Board dated 23 June 2016.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") presents the Audit Committee ("AC") report which provides insights into the manner in which the AC discharged its functions for the Group in the financial year ended 30 April 2016 ("FY2016").

INTRODUCTION

The AC was established on 29 January 2003 to assist the Board in fulfilling its responsibilities with respect to its oversight responsibilities. The AC is committed to its role in ensuring the integrity of the Group's financial reporting process, monitoring the management of risk and system of internal control, external and internal audit process, compliance with legal and regulatory matters and such other matters that may be specifically delegated to the AC by the Board.

COMPOSITION AND MEETING

The present composition of the AC consists of three members of the Board, all of whom are Non-Executive Directors ("NEDs"), of which two are independent NEDs. This meets the requirements of paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"). The members are as follows: -

Chairman **Chang Kong Foo**
Independent Non-Executive Director

Members **Lim Han Nge**
Senior Independent Non-Executive Director
Dr. Teoh Teik Toe
Non-Independent Non-Executive Director

Mr. Chang Kong Foo, the AC Chairman is a member of the Malaysian Institute of Accountants ("MIA") and as such meets the requirements of paragraph 15.09(1)(c) of the MMLR, which stipulates that at least one member of the AC must be a qualified accountant.

All members of the AC are financially literate and are able to analyse and interprete financial statements to effectively discharge their duties and responsibilities as members of the AC. The Chairman, Mr. Chang Kong Foo and Dr. Teoh Teik Toe are both members of MIA while Mr. Lim Han Nge is a lawyer by profession.

The Board had on 25 March 2016 reviewed the terms of office and performance of the AC members and based on the results of its review, the Board was satisfied that the AC and its members have discharged their functions, duties and responsibilities in accordance with the AC's Terms of Reference and supported the Board in ensuring the Group upholds appropriate corporate governance standards.

The Terms of Reference of AC can be viewed on the Company's website at www.ntpm.com.my.

During the FY2016, the AC had convened four (4) meetings and the details of attendance of each member at the AC meetings are as follows:-

AC	No. of AC Meetings held	No. of AC Meetings attended	% of Attendance
Chang Kong Foo	4	4	100
Lim Han Nge	4	4	100
Dr. Teoh Teik Toe	4	4	100

The meetings were appropriately structured where members were given the agenda and relevant meeting papers at least 7 days before the meetings. The AC meetings were of adequate length to allow the AC to accomplish its agenda with sufficient time to discuss emerging issues.

The AC conducted its meeting in an open and constructive manner and encouraged focused discussion, questioning and expressions of differing opinions. The External Auditors and Internal Auditors attended all meetings of the AC to present their report. As and when necessary, the AC would request the attendance of relevant personnel at its meetings to brief the AC on specific issues. The Financial Controller also attended the AC meetings to present the unaudited quarterly financial statements, as well as other financial reporting related matters for the AC's deliberation and recommendation to the Board for approval, where appropriate.

In FY2016, the AC met twice with the External Auditors without the presence of the Executive Directors and Management, once in September 2015 and again in March 2016. During these meetings, the AC sought feedback from the External Auditors with regard to the support provided by Management in term of providing timely and accurate information, as well as the adequacy of resources in the financial reporting functions. Based on the external auditors' feedback, Management was noted to have provided full cooperation to the External Auditors in the course of their audit.

At each meeting, the Chairman of the AC reported the AC's deliberations and recommendations to the Board. Minutes of each AC meeting were recorded and tabled for confirmation at the next following AC meeting and subsequently presented to the Board for notation.

SUMMARY OF ACTIVITIES

In discharging its functions, the AC is guided by the terms of reference, which was approved by the Board and aligned to the provisions of the MMLR, Malaysian Code on Corporate Governance and other best practices.

The AC's key focus areas which were included in the AC agenda at the relevant times throughout the year are summarised as follows:-

Financial Reporting

- The AC reviewed the quarterly and annual financial statements of the Company and the Group together with the Managing Director, Group Chief Executive Officer and Financial Controller as well as the External Auditors, focusing particularly on significant changes to accounting policies and practices, going concern assumptions, adjustments arising from the audits, compliance with the relevant accounting standards and other legal requirements to ensure that the financial statements presented a true and fair view of the Company's financial performance before recommending them to the Board for approval; and
- The AC also deliberated on audit issues raised by the External Auditors and the action plans required to address those issues.

Risk Management and Internal Control

- Reviewed the Group's Risk Management Programme on a quarterly basis, with a focus on the risks identified and the status of the risk management process implemented to facilitate the identification, assessment, evaluation, monitoring and management of risks and to ensure that all major risks are well managed;
- Reviewed the adequacy and effectiveness of the policies and procedures and system of internal control to monitor and manage risks in specific areas;
- Reviewed the Group's risk rating and controls of the updated risk registers prepared by the respective Risk Management Units' head;
- Reviewed the Statement on Risk Management and Internal Control for inclusion on this Annual Report;
- Reviewed and recommended to the Board steps to improve the Company's internal control systems derived from the findings of the Internal and External Auditors; and
- Reviewed and monitor the foreign currency transactions to ensure conformance to the Group's current policy is in place.

Internal Audit

- Reviewed and approved the Internal Audit Plan 2016 as tabled by the Internal Auditors after considering the adequacy of scope and comprehensiveness of the coverage of activities within the Group, as well as the adequacy of resources in the Internal Audit Department;
- Reviewed status reports from internal audit, including the audit recommendations made by the internal auditors and the Management's responses to those recommendations. Where appropriate, the AC directed the Management to rectify and improve control and workflow procedures based on internal auditors' recommendations and suggestion for improvement;
- Reviewed the implementation status of the corrective action arising from the audit recommendations to ensure that the key risks and control lapses identified were addressed in a timely manner; and
- Reviewed the Internal Auditor's findings arising from audits and responses given by employees of the Group in order to be satisfied that appropriate action has been taken.

Policy to assess the suitability and independence of external auditors

- With reference to the Auditors Independence Policy duly approved by the Board, the AC and the Board sought confirmation from the External Auditors who had given a written assurance that they were not aware of any relationships or matters that, in their professional judgement, might reasonably be thought to bear on their independence; and that they were independent in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of Malaysian Institute of Accountants, through their audit engagement for FY2016; and
- In addition, the audit partner is subject to a five year rotation. The last partner rotation was in financial year ended 30 April 2015.

AUDIT COMMITTEE REPORT
(cont'd)

External Audit

- The AC deliberated on the External Auditors' report at its meeting with regards to the relevant disclosures in the annual audited financial statements for FY2016;
- On 25 March 2016, the AC reviewed the External Auditors' 2016 audit plan outlining their scope of work and proposed fees for the statutory audit, together with assurance-related fees for review of the Statement of Internal Control and Risk Management. The AC recommended the proposed audit fees for the Board's approval and the same was duly approved by the Board on 25 March 2016;
- The AC reviewed the External Auditors' findings arising from audits, particularly comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken;
- The AC had two private meetings with the External Auditors without the presence of the Executive Directors or management to reinforce the independence of the External Audit function of the Company. The AC Chairman also invited the External Auditors to contact him at any time should they be aware of incidents or matters in the course of their audits or reviews that needed his attention or that of the AC or Board; and
- The AC reviewed the evaluation on the performance and effectiveness of the External Auditors in June 2016. The areas assessed were (i) caliber; (ii) quality processes / performance; (iii) audit team; (iv) independence and objectivity; (v) audit scope and planning; (vi) audit fees; and (vii) audit communication. Based on the results of the evaluation, the AC is satisfied with the External Auditor's performance and therefore, the AC had recommended to the Board, the re-appointment of the External Auditors at the forthcoming AGM to be held in September 2016.

Related Party Transactions

- Reviewed and discussed the reports of the related party transactions and possible conflict of interest transactions to ensure that all related party transactions were undertaken on an arm's length basis and on normal commercial terms; and
- Reviewed and discussed the recurrent related party transactions to ensure that they were undertaken on an arm's length basis and on normal commercial terms not more favourable to the related party than those generally available to the public.

Annual Reporting

- Reviewed the disclosure statements on the Statement on Corporate Governance, AC Report and Statement on Risk Management and Internal Control and recommended their adoption by the Board for inclusion in this Annual Report.

During FY2016, the AC members have sufficient resources available to discharge their responsibilities. The AC not only has access to any information that it needs, but also have the right to seek independent advice and the power to investigate any matter within the ambit of its authority.

INTERNAL AUDIT DEPARTMENT

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. It assists the Group in accomplishing its objective by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

During the FY2016, the work of audits and findings conducted by the Group's internal audit were as follows:-

- Performed EMS (Environmental Management System) 14001 and Health and Safety Management audits twice;

- Reviewed and monitored the related party transactions to ascertain that the current procedures practiced by Management is inline with the MMLR;

- Conducted an internal self-assessment of the internal audit activity for internal auditing work performed during the year, as part of a Quality Assurance and Improvement Program;

INTERNAL AUDIT DEPARTMENT (CONT'D)

- Reviewed for at least once a year, the adequacy and effectiveness of internal controls, the extent of compliance with the established Group policies, procedures and statutory requirements of the following business units of the Group's trading arm situated in Shah Alam, Parit Buntar, Ipoh, Batu Pahat, Johor Bahru, Melaka, Kuantan, Kota Bahru, Kota Kinabalu, Kuching, Singapore, Bangkok, Hadyai and the Group's manufacturing units located at Nibong Tebal, Parit Buntar and Bentong pertaining to the following work processes, where applicable:-

  i. Inventory Management;
  ii. Credit Management ;
  iii. Petty Cash Management (surprise petty cash counts were conducted throughout the financial year) and reimbursements;
  iv. Production Department;
  v. Fixed and Small Asset Control System;
  vi. Information Technology General Control;
  vii. Payroll Audit;
  viii. Sales and Distribution cycle;
  ix. Safety and Health Management; and
  x. Customer Audit.

- Performed two domestic investigations relating to sales personnel and enhanced on internal control to improve on the identified weaknesses

- Prepared the annual audit plan and schedules based on principal risks for the AC's consideration

- Attended AC meetings to table and discuss the Internal Audit findings and issues on quarterly basis and acted on suggestions made by AC members concerns over operations or control

The internal audit reports incorporating audit findings, recommendations and management response were issued to the AC. A total of 22 Internal Audit reports were issued in year 2016 including 4 ad-hoc audits upon Management's request.

In addition, risk-based audits were carried 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 Units ("RMU"). 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 as well as identifying new risks and controls relevant to the Group's operations. The Executive Risks Management Summary Reports on registered risks reviewed by Risk Management Committee were then presented to the AC by IAD during the quarterly meeting on a rotational basis. The cost incurred for the Group's internal audit function for the FY2016 was RM0.36 million.

This Statement is made in accordance with the resolution of the Board of Directors dated 23 June 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance 2012 requires the Board of Directors ("Board") to establish a sound risk management framework and internal controls system to safeguard shareholders' investments and the assets of the Group. Pursuant to paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Board of listed issuers is required to include in its annual report, a statement on the Group's state of internal control. The Board recognises its responsibilities for and the importance of a sound system of risk management and internal controls. Set out below is the Board's Statement on Risk Management and Internal Control, which provides an overview of the Group's state of risk management and internal control system.

Board Responsibility

The Board recognises the importance of the Group's sound internal controls as well as risk management practices, and affirms its overall responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group. The Board has via the Audit Committee ("AC") obtained the necessary assurance on the adequacy and effectiveness of the Group's risk management and internal control systems through ongoing and independent reviews carried out by the internal audit function.

Due to inherent limitations in any system of internal control, such systems can only manage rather than eliminate all possible risks resulting in the Group's inability to achieve its business objectives. Thus, the system can provide reasonable, and not absolute, assurance against material misstatement or loss.

KEY COMPONENTS OF INTERNAL CONTROL PROCESSES

Risk Management Framework

The Board has put in a risk management framework and ongoing process to assess the various types of risks, which might have an impact on the profitable operation of the Group's business. These include strategic risk, operational risk and project risk. The following outlines the Group's risk management policies:-

(a) to weigh business decisions against the philosophy that business risks would be necessarily incurred if the associated rewards are expected to enhance the Group's shareholder value;

(b) to ensure risks which may have a significant impact upon the Group are identified in a manner which would result in their expeditious treatment;

(c) to provide reasonable assurance to the Group's stakeholders that the probability of attaining Group's objectives would be enhanced by the establishment of an Enterprise Risk Management ("ERM") framework;

(d) to establish an environment or platform whereby risk management activities is effectively undertaken;

(e) to manage risks by adopting best practice methodologies for the identification, analysis, evaluation, reporting, treatment and monitoring of risks; and

(f) to provide an assurance regarding the extent of Group's compliance with regulatory requirements and the policies and procedures in place.

The Group's ERM framework is aligned with its long term strategic objectives and embedded in the daily operations of individual companies within the Group. This ERM system is an ongoing and systematic process to identify, assess, respond and monitor risks. In accordance with the Group's ERM, the Risk Management Committee ("RMC") oversees the Group's risk management process. The RMC consists of the Managing Director, Chief Executive Officer and Internal Auditors (Risk Management Co-ordinator). Each business unit has its own Risk Management Unit ("RMU") which consists of managers and key staff. Each RMU is tasked to identify major business and compliance risks concerning their respective business units, oversees and ensures integration of risk management into their business processes to safeguard the interest of the Group covering strategic, operations, factories' facilities, sales, human resource, finance and compliance risks. Risks are identified and assessed by employing the following methodologies:-

- Identification of risks by the process owners
- Assessment of the likelihood and impact of the risks identified
- Evaluating the control strategies in relation to the risks
- Formulating action plan to address control deficiencies
- Setting Key Risk Indicators to monitor the risks

Formal database of risks and controls information arising from the quarterly risk assessment exercise are captured in the format of risk registers. The identified risks are assessed and rated from low, moderate, high to significant depending upon the severity of consequence and the likelihood of its occurrence and financial impact on the Group's cash flow and profit. The RMU of each business unit reports to the RMC and the RMC will then meet to discuss and evaluate the RMUs' reports for adoption. Thereafter, the Risk Management Co-ordinator, and where applicable the owner of the risk profile presents the Group's Risk Report and updates the AC every three months on the status of the Group's ERM process, changes in risk profiles and their controls in place. At the date of this report, the Group has a totaled of 33 residual risk profiles of which eleven (11) is classified as either high or significant.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Board Meetings

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Non-Executive Chairman leads the presentation of board papers while the Managing Director together with the Group Chief Executive Officer provides explanation of pertinent issues. Additionally, the Chief Executive Officer updates the Board on key business and operational issues such as key products results and growth, business plan, corporate affairs and prospects. In arriving at any decision, on recommendation by the Management, a thorough deliberation and discussion by the Board is a prerequisite.

Organisational Structure

There exists a clearly defined organisational structure with defined lines of job responsibilities and delegation of authority. This will assist in ensuring that effective communication of risk control objectives as well as establishment of authority and accountability is in accordance with Management criteria.

Internal Policies and Procedures

Internal Policies and Procedures have been developed throughout the Group. The policies and procedures are updated timely to incorporate changes to systems, work environment and guidelines.

There are also documented Limits of Approving Authority for key aspects of the businesses. This provides a sound framework of authority and accountability within the organisation and facilitates proper corporate decision making at the appropriate level in the organisation's hierarchy. The delegation of limits is subject to periodic reviews as to its implementation and continuing suitability in meeting the Group's business objectives and operational needs.

Performance Management Framework

Management reports are generated on a regular and consistent basis to facilitate the Board, the Company's and the Group's Management to perform financial and operating reviews on the various operating units. The reviews encompass areas such as financial and non-financial key performance indicators, variances between budget and operating results and compliance with laws and regulations. The Company and the Group have in place a budgeting process that provides a responsibility accounting framework.

Internal Audit

The AC is responsible for reviewing and monitoring the adequacy and effectiveness of the Group's system of internal control. The review and monitoring of the adequacy and effectiveness of the system of internal control are carried out through the internal audit function. The internal audit function assists the AC to achieve the following objectives:-

- assessing and reporting on the effectiveness of the risk management and internal control systems
- assessing and reporting on the reliability of systems and reporting information
- assessing and reporting on the operational efficiency of various business units and departments within the Group and identifying saving potentials, where practical
- reviewing compliance with the Group policies, standing instructions and guidelines requested by management, and applicable laws and regulations

The Group's internal auditors' principal responsibility is to evaluate and improve the effectiveness of risk management, control and governance process. This is accomplished through a systematic and disciplined approach of regular reviews and appraisals of internal controls in the key activities of the Group's businesses implemented by the Management.

The results of internal audits are reported on a quarterly basis to the AC and the report of the AC is a permanent agenda in the meeting of the Board. The Management team's response on each internal audit recommendation and action plans therein, are regularly reviewed and followed up by the Internal Audit Team and reported to the AC. For the financial year under review, the Group's Internal Audit Team conducted eighteen (18) internal audits across various corporate functions, warehouse and business units. In addition, four (4) ad hoc reviews were conducted. Observations arising from the internal audit are presented, together with Management team's response and proposed action plans, to the AC for its review and approval.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Internal Audit (Cont'd)

During the financial year under review, the Internal Auditors carried out review on the adequacy and effectiveness of internal controls, the extent of compliance with the established Group policies, procedures and statutory requirements of the following business units of the Group's trading arm situated in Shah Alam, Parit Buntar, Ipoh, Batu Pahat, Johor Bahru, Melaka, Kuantan, Kota Bahru, Kota Kinabalu, Kuching, Singapore, Bangkok, Hadyai and the Group's manufacturing units located at Nibong Tebal, Parit Buntar and Bentong pertaining to the following work processes, where applicable:-

i. Inventory Management;
ii. Credit Management;
iii. Petty Cash Management (surprise petty cash counts were conducted throughout the financial year) and reimbursements;
iv. Production Department;
v. Fixed and Small Asset Control System;
vi. Information Technology General Control;
vii. Payroll Audit;
viii. Sales and Distribution cycle;
ix. Safety and Health Management; and
x. Customer Audit.

The work of the Internal Auditors is focused on areas of priority according to their annual risk assessment and in accordance with the annual audit plans approved by the AC. The AC holds regular meetings to discuss findings and make recommendations for improvement by both the internal and external auditors on the state of the internal control system. Thereafter, the minutes of the AC meetings are tabled to the Board for review.

REVIEW OF THIS STATEMENT

The internal auditors has reviewed the Statement on Risk Management and Internal Control for the financial year ended 30 April 2016 and reported to the AC that all internal control weaknesses identified during the course of its audit assignments for the financial year ended 30 April 2016 have been, or are being, addressed and that none of the weaknesses have resulted in any material losses, contingencies or uncertainties that require disclosure in the Company's Annual Report.

The Board has received assurance from the Group Chief Executive Officer and the Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Pursuant to Paragraph 15.23 of the Bursa's Main Market Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the financial year ended 30 April 2016 and reported to the Board that nothing has come to their attention that caused them to believe that the statement, in all material aspect, is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control system.

The Board is of the view that the ERM and system of internal controls in place for the financial year ended 30 April 2016 and up to the date of approval of this report is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators, employees and other stakeholders of the Group.

This Statement has been approved by the Board of Directors on 23 June 2016 based on the recommendation of the AC.

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

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate exercise during the financial year 2016.

AUDIT FEES

During the financial year ended 30 April 2016, the audit fees incurred by the Company and on a Group basis were amounted to RM53,000 and RM292,165 respectively.

NON-AUDIT FEES

During the financial year ended 30 April 2016, non-audit fees paid by the Company and Group to the affiliate of External Auditors as professional fees for tax agents' services amounted to RM15,700 and RM81,128 respectively.

PROFIT ESTIMATES, FORECAST AND PROJECTION

The Company did not issue any profit estimate, forecast or projection for the financial year ended 30 April 2016.

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Other than those related party transactions disclosed in Note 29 to the financial statements, there were no material contracts outside the ordinary course of business, including contract relating to loan, entered into by the Company and/or its subsidiaries involving Directors and major shareholders that are still subsisting at the end of the financial year or which were entered into since the end of the previous financial year.

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

The Board is 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 Board is satisfied that in preparing the financial statements of the Group for the financial year ended 30 April 2016, the Group has used the appropriate accounting policies which are 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.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent any fraud and other irregularities.

This Statement in made in accordance with the resolution of the Board of Directors on 18 August 2016.

Financial Statements

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 2016.

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 14 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 net of tax	**57,667,382**	**18,251,132**

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.

DIVIDENDS

The amount of dividends paid by the Company since 30 April 2015 were as follows:

	RM
In respect of the financial year ended 30 April 2016:	
Single tier interim dividend of 8% on 1,123,140,000 ordinary shares of RM0.10 each declared on 25 March 2016 and paid on 22 April 2016	8,985,120

At the forthcoming Annual General Meeting, a final dividend, in respect of the financial year ended 30 April 2016, of 8% single tier on 1,123,140,000 ordinary shares, amounting to dividend payable of RM8,985,120 (0.80 sen net per ordinary share) will be proposed for shareholder's approval.

The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2017.

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:

Dato' Teoh Boon Beng @ Teoh Eng Kuan
Lee See Jin
Lee Chong Choon
Dr. Teoh Teik Toe*
Lim Han Nge*
Chang Kong Foo*
Teoh Teik Lin (alternate director to Dato' Teoh Boon Beng @ Teoh Eng Kuan)

* Being a member of the Audit Committee.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements or the fixed salary of a full-time employee of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 29 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 2015	**Bought**	**Sold**	**30 April 2016**
The Company				
Direct				
Dato' Teoh Boon Beng @ Teoh Eng Kuan	21,190,000	550,000	(1,614,200)	**20,125,800**
Lee See Jin	323,614,649	3,845,600	–	**327,460,249**
Lee Chong Choon	132,111,197	–	–	**132,111,197**
Dr. Teoh Teik Toe	8,213,400	–	–	**8,213,400**
Chang Kong Foo	100,000	–	–	**100,000**
Teoh Teik Lin	66,887,278	–	(1,000,000)	**65,887,278**
Indirect				
Interest of Spouse/Children of the Directors*				
Dato' Teoh Boon Beng @ Teoh Eng Kuan	116,027,292	–	(1,160,000)	**114,867,292**
Lee See Jin	138,469,382	–	–	**138,469,382**
Chang Kong Foo	280,000	–	–	**280,000**
Deemed Interest of Directors				
Dato' Teoh Boon Beng @ Teoh Eng Kuan **	65,311,922	–	–	**65,311,922**
Teoh Teik Lin #	52,371,922	–	–	**52,371,922**

* Disclosure pursuant to Section 134(12)(c) of the Companies Act, 1965.

** Deemed interested by virtue of his shareholdings in Kota Beras Sendirian Berhad and Teoh Peng Heong & Sons Sdn. Bhd., pursuant to Section 6A of the Companies Act, 1965.

\# Deemed interested by virtue of his shareholdings in Kota Beras Sendirian Berhad pursuant to Section 6A of the Companies Act, 1965.

Dato' Teoh Boon Beng @ Teoh Eng Kuan and Lee See Jin, by virtue of their interests in shares in the Company, are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

Lee Chong Choon, Dr. Teoh Teik Toe, Chang Kong Foo and Teoh Teik Lin did not have any interest in shares in the related corporations during the financial year.

The other director in office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT
(cont'd)

TREASURY SHARES

During the financial year, the Company had repurchased a total of 20,000 ordinary shares of RM0.10 each of its issued and fully paid up ordinary shares from the open market for a total consideration (inclusive of commission, stamp duty and other charges) of RM17,779 at an average cost of RM0.89 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

As at 30 April 2016, the Company held as treasury shares a total of 60,000 of its 1,123,200,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM47,231 and further relevant details are disclosed in Note 25 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the income statements, statements of comprehensive income and statements of financial position 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 had been made for doubtful debts in the financial statements of the Group. The directors also satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary in the financial statements of the Company; and

 (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

 (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group inadequate to any substantial extent nor are they aware of any circumstances which would render it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and

 (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) 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 on behalf of the Board in accordance with a resolution of the directors dated 18 August 2016.

Lee See Jin **Lee Chong Choon**

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 50 to 112 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2016 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

In the opinion of the directors, the information set out in Note 36 to the financial statements on page 113 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 August 2016.

Lee See Jin **Lee Chong Choon**

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

I, **David Khoo Chong Beng**, 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 50 to 113 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 **David Khoo Chong Beng**
at Georgetown in the State of Penang
on 18 August 2016 : **David Khoo Chong Beng**

Before me,

Haji Mohamed Yusoff bin Mohd. Ibrahim
(No. P156)
Commissioner for Oaths

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of NTPM Holdings Berhad, which comprise the statements of financial position as at 30 April 2016 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 112.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2016 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 14 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) 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.

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 36 on page 113 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Teoh Soo Hock
No. 2477/10/17(J)
Chartered Accountant

Penang, Malaysia
18 August 2016

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Revenue	4	**601,705,502**	547,513,898	**25,303,689**	16,488,904
Other operating income	5	**2,219,686**	1,828,038	**4,550,560**	4,342,353
Advertising and promotional expenses		**(10,743,029)**	(10,245,522)	**(520)**	(2,290)
Changes in inventories of finished goods and work-in-progress		**4,325,104**	6,464,575	**–**	–
Depreciation		**(29,340,815)**	(28,140,159)	**(90,814)**	(159,422)
Employee benefits expense	6	**(107,078,305)**	(97,687,191)	**(9,429,628)**	(7,629,377)
Management fees		**–**	–	**(99,530)**	(132,341)
Purchase of trading inventories		**(11,795,727)**	(33,233,986)	**–**	–
Raw materials and consumables used		**(260,965,745)**	(221,808,955)	**–**	–
Repairs and maintenance		**(14,322,582)**	(13,509,817)	**(162,689)**	(194,548)
Transportation and freight charges		**(29,330,129)**	(28,932,715)	**–**	–
Utilities costs		**(37,211,465)**	(35,311,523)	**(24,911)**	(20,933)
Other operating expenses	8	**(23,245,966)**	(21,592,203)	**(751,705)**	(666,235)
Operating profit		**84,216,529**	65,344,440	**19,294,452**	12,026,111
Finance costs	9	**(6,027,021)**	(6,025,969)	**–**	–
Profit before tax		**78,189,508**	59,318,471	**19,294,452**	12,026,111
Income tax expense	10	**(20,522,126)**	(16,676,921)	**(1,043,320)**	(1,145,981)
Profit net of tax		**57,667,382**	42,641,550	**18,251,132**	10,880,130
Earnings per share attributable to owners of the parent (sen):					
Basic/Diluted	11	**5.13**	3.80		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit net of tax	**57,667,382**	42,641,550	**18,251,132**	10,880,130
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Foreign currency translation	**1,921,606**	1,710,674	**–**	–
Other comprehensive income for the year net of tax	**1,921,606**	1,710,674	**–**	–
Total comprehensive income for the year	**59,588,988**	44,352,224	**18,251,132**	10,880,130

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2016

Group	Note	2016 RM	2015 RM
Assets			
Non-current assets			
Property, plant and equipment	12	**368,753,126**	371,174,726
Land use rights	13	**21,486,777**	21,037,706
Other investment	15	**–**	–
Deferred tax assets	16	**464,663**	359,647
		390,704,566	392,572,079
Current assets			
Inventories	17	**131,391,847**	117,995,027
Trade and other receivables	18	**110,003,108**	108,079,269
Tax recoverable	19	**2,208,817**	2,618,828
Cash and bank balances	20	**50,998,523**	37,350,403
		294,602,295	266,043,527
Total assets		**685,306,861**	658,615,606
Equity and liabilities			
Current liabilities			
Derivative liabilities	21	**108,855**	324,932
Loans and borrowings	22	**127,804,957**	157,989,943
Retirement benefit obligations	23	**6,202**	1,775
Trade and other payables	24	**94,141,916**	82,511,958
Tax payable		**1,775,665**	3,203,930
		223,837,595	244,032,538
Net current assets		**70,764,700**	22,010,989
Non-current liabilities			
Deferred tax liabilities	16	**18,137,333**	18,741,378
Loans and borrowings	22	**29,714,617**	33,094,094
Retirement benefit obligations	23	**2,705,827**	2,422,196
		50,557,777	54,257,668
Total liabilities		**274,395,372**	298,290,206
Net assets		**410,911,489**	360,325,400
Equity attributable to owners of the parent			
Share capital	25	**112,320,000**	112,320,000
Treasury shares	25	**(47,231)**	(29,452)
Other reserves	26	**47,289,967**	45,368,361
Retained profits	27	**251,348,753**	202,666,491
Total equity		**410,911,489**	360,325,400
Total equity and liabilities		**685,306,861**	658,615,606

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2016
(cont'd)

Company	Note	2016 RM	2015 RM
Assets			
Non-current assets			
Property, plant and equipment	12	**477,072**	599,871
Investments in subsidiaries	14	**20,216,543**	20,216,543
Deferred tax assets	16	**37,247**	23,709
		20,730,862	20,840,123
Current assets			
Trade and other receivables	18	**113,579,633**	102,816,088
Tax recoverable		**96,804**	32,646
Cash and bank balances	20	**1,834,996**	1,754,154
		115,511,433	104,602,888
Total assets		**136,242,295**	125,443,011
Equity and liability			
Current liability			
Trade and other payables	24	**4,494,491**	2,943,440
Net current assets		**111,016,942**	101,659,448
Net assets		**131,747,804**	122,499,571
Equity attributable to owners of the parent			
Share capital	25	**112,320,000**	112,320,000
Treasury shares	25	**(47,231)**	(29,452)
Retained profits	27	**19,475,035**	10,209,023
Total equity		**131,747,804**	122,499,571
Total equity and liability		**136,242,295**	125,443,011

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

Group	Note	Share capital RM	Treasury shares RM	Non-distributable Other reserves RM	Distributable Retained profits RM	Total RM
At 1 May 2015		112,320,000	(29,452)	45,368,361	202,666,491	360,325,400
Total comprehensive income		–	–	1,921,606	57,667,382	59,588,988
Transactions with owners						
Purchase of treasury shares	25	–	(17,779)	–	–	(17,779)
Dividends	28	–	–	–	(8,985,120)	(8,985,120)
Total transactions with owners		–	(17,779)	–	(8,985,120)	(9,002,899)
At 30 April 2016		**112,320,000**	**(47,231)**	**47,289,967**	**251,348,753**	**410,911,489**
Group						
At 1 May 2014		112,320,000	(14,976)	43,657,687	184,453,963	340,416,674
Total comprehensive income		–	–	1,710,674	42,641,550	44,352,224
Transactions with owners						
Purchase of treasury shares	25	–	(14,476)	–	–	(14,476)
Dividends	28	–	–	–	(24,429,022)	(24,429,022)
Total transactions with owners		–	(14,476)	–	(24,429,022)	(24,443,498)
At 30 April 2015		112,320,000	(29,452)	45,368,361	202,666,491	360,325,400

Company	Note	Share capital RM	Treasury shares RM	Distributable Retained profits RM	Total RM
At 1 May 2015		112,320,000	(29,452)	10,209,023	122,499,571
Total comprehensive income		–	–	18,251,132	18,251,132
Transactions with owners					
Purchase of treasury shares	25	–	(17,779)	–	(17,779)
Dividends	28	–	–	(8,985,120)	(8,985,120)
Total transactions with owners		–	(17,779)	(8,985,120)	(9,002,899)
At 30 April 2016		**112,320,000**	**(47,231)**	**19,475,035**	**131,747,804**
At 1 May 2014		112,320,000	(14,976)	23,757,915	136,062,939
Total comprehensive income		–	–	10,880,130	10,880,130
Transactions with owners					
Purchase of treasury shares	25	–	(14,476)	–	(14,476)
Dividends	28	–	–	(24,429,022)	(24,429,022)
Total transactions with owners		–	(14,476)	(24,429,022)	(24,443,498)
At 30 April 2015		112,320,000	(29,452)	10,209,023	122,499,571

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2016
(cont'd)

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Operating activities				
Profit before tax	**78,189,508**	59,318,471	**19,294,452**	12,026,111
Adjustments for:				
Amortisation of land use rights	**545,941**	491,406	**–**	–
Bad debts written off	**121,390**	327,404	**–**	–
Depreciation	**29,340,815**	28,140,159	**90,814**	159,422
Dividend income	**–**	–	**(15,400,000)**	(8,000,000)
Interest expense	**6,027,021**	6,025,969	**–**	–
Interest income	**(667,608)**	(378,587)	**(4,550,560)**	(4,342,353)
Loss/(gain) on disposal of property, plant and equipment	**237,908**	56,744	**18,646**	(17,522)
Net fair value (gain)/loss on derivatives	**(216,077)**	368,303	**–**	–
Property, plant and equipment written off	**51,698**	603,138	**–**	–
Increase in liability for defined benefit plan	**360,049**	394,876	**–**	–
Allowance/(reversal) of impairment loss on trade receivables, net	**245,743**	(76,808)	**–**	–
Inventories written down to net realisable value	**174,642**	–	**–**	–
Short term accumulating compensated absences	**326,364**	330,903	**(10,984)**	12,825
Reversal of impairment loss in plant, property and equipment	**(41,535)**	–	**–**	–
Unrealised foreign exchange loss/(gain)	**113,051**	(370,138)	**13,671**	(47,180)
Total adjustments	**36,619,402**	35,913,369	**(19,838,413)**	(12,234,808)
Operating cash flows before changes in working capital	**114,808,910**	95,231,840	**(543,961)**	(208,697)
Changes in working capital				
Decrease/(increase) in receivables	**7,266,534**	11,864,597	**(976,592)**	81,035
Increase in inventories	**(13,382,294)**	(23,554,766)	**–**	–
Increase/(decrease) in payables	**2,312,677**	(8,194,045)	**1,620,202**	(500,503)
Decrease in retirement benefit obligations	**(71,996)**	(94,102)	**–**	–
Total changes in working capital	**(3,875,079)**	(19,978,316)	**643,610**	(419,468)
Cash flows generated from/(used in) operations	**110,933,831**	75,253,524	**99,649**	(628,165)
Interest paid	**(6,027,021)**	(6,025,969)	**–**	–
Tax paid	**(22,292,625)**	(15,867,981)	**(1,121,016)**	(1,232,104)
Net cash flows generated from/(used in) operating activities	**82,614,185**	53,359,574	**(1,021,367)**	(1,860,269)
Investing activities				
Purchase of property, plant and equipment (Note A)	**(25,388,749)**	(93,079,452)	**(9,661)**	(15,922)
Dividends received	**–**	–	**9,000,000**	19,500,000
Interest received	**667,608**	378,587	**4,550,560**	4,342,353
Net change in related companies balances	**–**	–	**(3,458,791)**	1,919,020
Proceeds from disposal of property, plant and equipment	**615,494**	293,218	**23,000**	31,999
Net cash (used in)/generated from investing activities	**(24,105,647)**	(92,407,647)	**10,105,108**	25,777,450

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2016
(cont'd)

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Financing activities				
Dividends paid	**(8,985,120)**	(24,429,022)	**(8,985,120)**	(24,429,022)
Net change in bank borrowings	**(77,720,001)**	30,732,250	**–**	–
Repayment of term loans	**(39,406,589)**	(15,438,845)	**–**	–
Drawdown of term loans	**80,964,748**	40,000,000	**–**	–
Purchase of treasury shares	**(17,779)**	(14,476)	**(17,779)**	(14,476)
Net cash (used in)/ generated from financing activities	**(45,164,741)**	30,849,907	**(9,002,899)**	(24,443,498)
Net increase/(decrease) in cash and cash equivalents	**13,343,797**	(8,198,166)	**80,842**	(526,317)
Effect of exchange rate	**304,323**	1,106,838	**–**	–
Cash and cash equivalents as at 1 May 2015/2014	**37,350,403**	44,441,731	**1,754,154**	2,280,471
Cash and cash equivalents as at 30 April 2016/2015 (Note B)	**50,998,523**	37,350,403	**1,834,996**	1,754,154

A. Purchase of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM25,388,749 (2015:RM93,079,452) and RM9,661 (2015:RM15,922) respectively by way of the following:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cash payments	**25,388,749**	93,079,452	**9,661**	15,922

B. Cash and cash equivalents comprise:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cash on hand and at banks	**27,504,831**	18,755,009	**1,764,549**	1,540,516
Deposits with licensed banks	**23,493,692**	18,595,394	**70,447**	213,638
	50,998,523	37,350,403	**1,834,996**	1,754,154

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1. CORPORATE INFORMATION

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

The principal activities of the subsidiaries are described in Note 14.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 May 2015, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 May 2015.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group's financial statements.

Annual Improvements to MFRSs 2010–2012 Cycle

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below.

Standards	Descriptions
MFRS 3 Business Combinations	The amendments to MFRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 9 or MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014. This is consistent with the Group's current accounting policy and thus, this amendment did not impact the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (Cont'd)

Annual Improvements to MFRSs 2010–2012 Cycle (Cont'd)

Standards	Descriptions
MFRS 8 Operating Segments	The amendments are to be applied retrospectively and clarify that: an entity must disclose the judgements made by management in applying the aggregation criteria in MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The Group has not applied the aggregation criteria as mentioned above. The Group continues to present the reconciliation of segment assets to total assets.
MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets	The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between gross and carrying amounts of the asset. The Group continues to eliminate the accumulated depreciation as at the revaluation date against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the asset.
MFRS 124 Related Party Disclosures	The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. This amendment is not applicable to the Group as the Group does not receive any management services from other entities.

Annual Improvements to MFRSs 2011–2013 Cycle

The Annual Improvements to MFRSs 2011-2013 Cycle include a number of amendments to various MFRSs, which are summarised below. The Group and the Company have applied the amendments for the first time in the current year.

Standards	Descriptions
MFRS 3 Business Combinations	The amendments to MFRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively. The Group has no joint arrangement and thus this amendment is not relevant to the Group.
MFRS 13 Fair Value Measurement	The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable). The Group does not apply the portfolio exception.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 15 Clarification to MFRS 15	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application other than for MFRS 15 Revenue from Contracts with Customers and MFRS 9 Financial Instruments. The Group is still in the progress of assessing the financial impact of MFRS 15 and MFRS 9.

Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:
- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective (Cont'd)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group is currently assessing the impact of MFRS 9 and plans to adopt the new standard on the required effective date.

Annual Improvements to MFRSs 2012–2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

Standards	Descriptions
MFRS 7 Financial Instruments: Disclosures	The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required. In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (Cont'd)

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Group, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.5 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated over the period of the lease term, i.e. 97 years.

Depreciation is computed on a straight-line basis over the estimated useful lives of the other assets, at the following annual rates:

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

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms which range from 41 years to 46 years.

2.8 Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.10 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial assets (Cont'd)

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less any accumulated impairment losses.

Available-for-sale financial assets are classified as non-current unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

2.11 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of financial assets (Cont'd)

(a) Trade and other receivables and other financial assets carried at amortised cost (Cont'd)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.12 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

a) Raw materials, trading goods, consumable inventories, spare parts and accessories: purchase costs on a first-in first-out basis.
b) Finished goods and work-in-progress: costs of direct materials and labour and proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

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

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss

2.16 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Employee benefits

a) 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. 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.

b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

c) Defined benefit plans

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The costs of providing benefits under defined benefit plans are determined separately for each plan using the projected unit credit actuarial valuation method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation in the consolidated statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;
- Net interest expense or income

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.20 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Management fees

Management fees are recognised when services are rendered.

(d) Dividend income

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

2.21 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Income taxes (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on business segments which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.24 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.25 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.26 Hedge accounting

The Group uses forward currency contracts to manage its exposure to foreign market risk and liquidity risk. The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedging relationships are classified as:

- Fair value hedges, when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- Cash flow hedges, when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

(a) Fair value hedges

The change in the fair value of an interest rate hedging derivative is recognised in the profit or loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in profit or loss as finance costs.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit or loss over the remaining term to maturity. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedge item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Fair value hedge accounting is discontinued if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Hedge accounting (Cont'd)

(b) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as other operating expenses.

Amounts recognised in other comprehensive income previously are reclassified from equity to profit or loss when the hedged transaction affects profit or loss, such as when the hedged interest income or interest expense is recognised or when a forecast sale occurs. Where the hedged item is a non-financial asset or a non-financial liability, the amounts recognised previously in other comprehensive income are removed and included in the initial carrying amount of the non-financial asset or liability. The Group has elected not to apply basis adjustments to hedges of forecast transactions that result in the recognition of a non-financial asset or a non-financial liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in equity until the forecast transaction or firm commitment affects profit or loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecasted transactions.

(c) Derivatives that are not designated or do not qualify for hedge accounting

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are directly recognised in profit or loss.

2.27 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 31.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for recurring fair value measurement, such as properties, unquoted available-for-sale ("AFS") financial assets and financial liabilities at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27 Fair value measurement (Cont'd)

External valuers may be involved for valuation of certain significant asset and liabilities, such as properties and financial liabilities at fair value through profit or loss. Involvement of external valuers is decided upon annually by the Group. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.28 Related parties

A related party is defined as follows:

(a) a person or a close member of that person's family is related to the Group and the Company if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) an entity is related to the Group and the Company if any of the following conditions applies:

(i) if the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) both entities are joint ventures of the same third party;
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a); or
(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.29 Current and non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

2.30 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and

- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that has significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

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

i. Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details of unrecognised tax losses and capital allowances are disclosed in Note 16.

ii. Impairment of investments in subsidiaries

The Company had recognised an impairment loss in respect of investments in subsidiaries. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost to sell of the cash-generating units ("CGU") to which the investments in subsidiaries belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment losses recognised are disclosed in Note 14.

iii. Depreciation of plant and equipment

The cost of paper making machinery is depreciated on a straight-line basis over the asset's useful life. Management estimates the useful lives of these plant and machinery to be within 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

iv. Inventories

Inventories of the Group are written down to net realisable value based on an analysis of the aging profile and taking into account the expected sales patterns of individual items held in inventory. Changes in the inventory aging and the expected sales profiles may have an impact on the amount of write down recorded.

v. Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's loans and receivables at the reporting date are disclosed in Note 18.

vi. Impairment of property, plant and equipment

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its value in use and its fair value less cost of disposal.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's property, plant and equipment at the reporting date are disclosed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

4. REVENUE

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Sales of paper and personal care products	**601,705,502**	547,513,898	**–**	–
Management fees	**–**	–	**9,903,689**	8,488,904
Dividend income	**–**	–	**15,400,000**	8,000,000
	601,705,502	547,513,898	**25,303,689**	16,488,904

5. OTHER OPERATING INCOME

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Sundry income	**1,552,078**	1,449,451	**–**	–
Interest income from:				
- Loans and receivables	**–**	–	**4,530,118**	4,322,729
- Deposits with licensed banks	**667,608**	378,587	**20,442**	19,624
	2,219,686	1,828,038	**4,550,560**	4,342,353

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Wages and salaries	**78,179,021**	71,359,563	**2,721,159**	2,468,600
Executive directors' remuneration (Note 7)	**6,864,379**	5,212,919	**5,976,070**	4,430,364
Social security contributions	**1,175,491**	932,601	**36,438**	23,422
Short term accumulating compensated absences	**326,364**	330,903	**(10,984)**	12,825
Contribution to defined contribution plan	**9,178,739**	8,748,435	**551,802**	520,527
Increase in liability for defined benefit plan (Note 23)	**360,049**	394,876	**–**	–
Sundry wages	**5,482,638**	5,714,534	**5,500**	1,706
Other benefits	**5,511,624**	4,993,360	**149,643**	171,933
	107,078,305	97,687,191	**9,429,628**	7,629,377

Included in employee benefits expense of the Group and of the Company are remuneration of the Company's executive directors amounting to RM4,093,690 (2015: RM2,663,244) and RM4,076,290 (2015: RM2,645,844) respectively as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Directors of the Company				
Executive directors' remuneration:				
Fees	**120,000**	120,000	**120,000**	120,000
Other emoluments	**3,928,290**	2,497,844	**3,928,290**	2,497,844
Benefits-in-kind	**45,400**	45,400	**28,000**	28,000
	4,093,690	2,663,244	**4,076,290**	2,645,844
Non-executive directors' remuneration:				
Fees	**240,000**	240,000	**240,000**	240,000
Other emoluments	**8,000**	8,000	**8,000**	8,000
	248,000	248,000	**248,000**	248,000
Other Directors				
Executive directors' remuneration:				
Fees	**118,658**	112,158	**–**	–
Other emoluments	**2,697,431**	2,482,917	**1,927,780**	1,812,520
Benefits-in-kind	**65,042**	48,779	**–**	–
	2,881,131	2,643,854	**1,927,780**	1,812,520
Non-executive directors' remuneration:				
Fees	**27,720**	24,989	**–**	–
	7,250,541	5,580,087	**6,252,070**	4,706,364
Total directors' remuneration:				
Executive directors' remuneration (Note 6)	**6,864,379**	5,212,919	**5,976,070**	4,430,364
Non-executive directors' remuneration (Note 8)	**275,720**	272,989	**248,000**	248,000
	7,140,099	5,485,908	**6,224,070**	4,678,364
Estimated money value of benefits-in-kind	**110,442**	94,179	**28,000**	28,000
Total directors' remuneration including benefits-in-kind	**7,250,541**	5,580,087	**6,252,070**	4,706,364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

7. DIRECTORS' REMUNERATION (CONT'D)

The details of remuneration receivable by directors during the year are as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Executive:				
Salaries and other emoluments	**3,488,667**	3,211,337	**2,958,592**	2,684,694
Fees	**238,658**	232,158	**120,000**	120,000
Bonus	**3,137,054**	1,769,424	**2,897,478**	1,625,670
Benefits-in-kind	**110,442**	94,179	**28,000**	28,000
	6,974,821	5,307,098	**6,004,070**	4,458,364
Non-executive:				
Fees	**267,720**	264,989	**240,000**	240,000
Allowance	**8,000**	8,000	**8,000**	8,000
	275,720	272,989	**248,000**	248,000
	7,250,541	5,580,087	**6,252,070**	4,706,364

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	
	2016	2015
Executive directors:		
RM650,001 - RM700,000	**–**	1
RM1,350,001 - RM1,400,000	**1**	–
RM1,950,001 - RM2,000,000	**–**	1
RM2,650,001 - RM2,700,000	**1**	–
Non-executive directors:		
RM50,001 - RM100,000	**4**	4

8. OTHER OPERATING EXPENSES

Other operating expenses are stated:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
After charging/(crediting):				
Auditors' remuneration				
- statutory audit				
- current year	**292,165**	246,785	**53,000**	48,000
- underprovision in prior years	**10,160**	6,380	**5,000**	2,120
- other services	**81,128**	105,119	**15,700**	15,512
Allowance/(reversal) of impairment loss on trade receivables,net (Note 18(a))	**245,743**	(76,808)	**–**	–
Inventories written down to net realisable value	**174,642**	–	**–**	–
Amortisation of land use rights (Note 13)	**545,941**	491,406	**–**	–
Bad debts written off	**121,390**	327,404	**–**	–
Bad debts recovered	**(56,915)**	(13,609)	**–**	–
Loss/(gain) on disposal of property, plant and equipment	**237,908**	56,744	**18,646**	(17,522)
Net fair value (gain)/loss on derivatives	**(216,077)**	368,303	**–**	–
Net foreign exchange loss/(gain)	**5,640,167**	3,000,587	**(39,671)**	(43,506)
Non-executive directors' remuneration (Note 7)	**275,720**	272,989	**248,000**	248,000
Property, plant and equipment written off	**51,698**	603,138	**–**	–
Reversal of impairment losses on plant and machinery (Note 12)	**(41,535)**	–	**–**	–
Rental expense	**1,157,124**	1,052,205	**43,200**	43,200

9. FINANCE COSTS

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Interest expense on:				
- Loans and borrowings	**6,027,021**	6,025,969	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

10. INCOME TAX EXPENSE

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Income tax:				
Malaysian income tax	**20,629,529**	16,082,417	**1,070,385**	1,138,435
Foreign tax	**574,872**	449,383	**–**	–
	21,204,401	16,531,800	**1,070,385**	1,138,435
Under/(over) provision in prior years:				
Malaysian income tax	**29,733**	79,452	**(13,527)**	1,174
Foreign tax	**–**	9,529	**–**	–
	21,234,134	16,620,781	**1,056,858**	1,139,609
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	**(810,709)**	856,856	**(15,330)**	5,925
Relating to reduction in Malaysian tax rate	**–**	(676,685)	**–**	988
Under/(over) provision in prior years	**98,701**	(124,031)	**1,792**	(541)
	(712,008)	56,140	**(13,538)**	6,372
Income tax expense recognised in profit or loss	**20,522,126**	16,676,921	**1,043,320**	1,145,981

The Malaysian corporate statutory tax rate for the year of assessment 2016 was 24% (2015: 25%).

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 April 2016 and 2015 are as follows:

	Group	
	2016	2015
	RM	RM
Profit before tax	**78,189,508**	59,318,471
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	**18,765,482**	14,829,618
Deferred tax recognised at different tax rate	**–**	(676,685)
Effect of different tax rates in other countries	**360,631**	(129,074)
Effect of expenses not deductible for tax purposes	**1,505,234**	1,090,801
Effect of income not subject to tax	**(757,634)**	(409,994)
Deferred tax assets not recognised during the year	**3,842,380**	2,723,446
Utilisation of deferred tax assets not recognised in prior year	**(8,661)**	–
Deferred tax assets recognised on unutilised reinvestment allowance arising during current year	**(2,125,660)**	(280,974)
Capital allowance forfeited during the year	**72,690**	–
Allowance for increased exports claimed during the year	**(1,260,770)**	–
Reinvestment allowance claimed during the year	**–**	(435,167)
Under provision of income tax in prior years	**29,733**	88,981
Under/(over) provision of deferred tax in prior years	**98,701**	(124,031)
Tax expense for the year	**20,522,126**	16,676,921

10. INCOME TAX EXPENSE (CONT'D)

Reconciliation between tax expense and accounting profit (Cont'd)

	Company	
	2016	**2015**
	RM	**RM**
Profit before tax	**19,294,452**	12,026,111
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	**4,630,668**	3,006,528
Deferred tax recognised at different tax rate	**–**	988
Effect of expenses not deductible for tax purposes	**120,387**	137,832
Effect of income not subject to tax	**(3,696,000)**	(2,000,000)
(Over)/under provision of income tax in prior years	**(13,527)**	1,174
Under/(over) provision of deferred tax in prior years	**1,792**	(541)
Tax expense for the year	**1,043,320**	1,145,981

11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year net of tax attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2016	**2015**
Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share (RM)	**57,667,382**	42,641,550
Weighted average number of ordinary shares used in the computation of earnings per share (RM)	**1,123,152,978**	1,123,172,658
Basic earnings per share (sen)	**5.13**	3.80
Diluted earnings per share (sen)	**5.13**	3.80

Basic and diluted earnings per share is the same as there is no convertible instrument issued.

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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, office equipment and computers	Total
	RM	RM	RM	RM	RM	RM
At 2016						
Cost/valuation						
At 1 May 2015						
At cost	–	16,801,436	416,005,677	37,580,291	11,899,159	482,286,563
At valuation	193,146,810	–	–	–	–	193,146,810
	193,146,810	16,801,436	416,005,677	37,580,291	11,899,159	675,433,373
Additions	–	20,101,585	2,131,570	2,377,983	777,611	25,388,749
Disposals	–	–	(764,240)	(263,069)	–	(1,027,309)
Write offs	–	(11,840)	–	(71,093)	(730)	(83,663)
Reclassification	3,380,969	(30,342,234)	26,238,991	–	722,274	–
Translation difference	900,347	–	1,264,905	236,351	18,639	2,420,242
At 30 April 2016	**197,428,126**	**6,548,947**	**444,876,903**	**39,860,463**	**13,416,953**	**702,131,392**
Representing:						
At cost	–	6,548,947	444,876,903	39,860,463	13,416,953	504,703,266
At valuation	197,428,126	–	–	–	–	197,428,126
At 30 April 2016	**197,428,126**	**6,548,947**	**444,876,903**	**39,860,463**	**13,416,953**	**702,131,392**
Accumulated depreciation and impairment losses						
At 1 May 2015	4,956,960	–	268,292,280	22,369,748	8,639,659	304,258,647
Depreciation charge for the year	3,077,015	–	22,812,401	2,739,015	712,384	29,340,815
Disposals	–	–	(57,319)	(116,588)	–	(173,907)
Write offs	–	–	–	(31,823)	(142)	(31,965)
Reversal of impairment losses	–	–	(41,535)	–	–	(41,535)
Translation difference	(38,766)	–	(110,794)	160,610	15,161	26,211
At 30 April 2016	**7,995,209**	**–**	**290,895,033**	**25,120,962**	**9,367,062**	**333,378,266**
Net carrying amount						
At cost	–	6,548,947	153,981,870	14,739,501	4,049,891	179,320,209
At valuation	189,432,917	–	–	–	–	189,432,917
At 30 April 2016	**189,432,917**	**6,548,947**	**153,981,870**	**14,739,501**	**4,049,891**	**368,753,126**

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

Group	Land and Buildings*	Capital work-in-progress	Plant and machinery and electrical installations	Motor vehicles	Furniture, fittings, renovation, air conditioners, office equipment and computers	Total
	RM	RM	RM	RM	RM	RM
					air	
At 2015						
Cost/valuation						
At 1 May 2014						
At cost	–	29,404,592	362,673,392	35,278,903	10,049,254	437,406,141
At valuation	144,990,661	–	–	–	–	144,990,661
	144,990,661	29,404,592	362,673,392	35,278,903	10,049,254	582,396,802
Additions	2,410,811	78,439,644	7,390,307	3,612,838	1,225,852	93,079,452
Disposals	–	–	(3,024)	(1,443,882)	–	(1,446,906)
Write offs	–	(16,860)	(833,373)	–	(24,989)	(875,222)
Reclassification	44,545,685	(91,025,940)	45,841,323	–	638,932	–
Translation difference	1,199,653	–	937,052	132,432	10,110	2,279,247
At 30 April 2015	193,146,810	16,801,436	416,005,677	37,580,291	11,899,159	675,433,373
Representing:						
At cost	–	16,801,436	416,005,677	37,580,291	11,899,159	482,286,563
At valuation	193,146,810	–	–	–	–	193,146,810
At 30 April 2015	193,146,810	16,801,436	416,005,677	37,580,291	11,899,159	675,433,373
Accumulated depreciation and impairment losses						
At 1 May 2014	2,929,509	–	245,644,444	20,712,216	8,101,211	277,387,380
Depreciation charge for the year	2,024,725	–	22,891,172	2,671,502	552,760	28,140,159
Disposals	–	–	(1,033)	(1,095,911)	–	(1,096,944)
Write offs	–	–	(250,012)	–	(22,072)	(272,084)
Translation difference	2,726	–	7,709	81,941	7,760	100,136
At 30 April 2015	4,956,960	–	268,292,280	22,369,748	8,639,659	304,258,647
Net carrying amount						
At cost	–	16,801,436	147,713,397	15,210,543	3,259,500	182,984,876
At valuation	188,189,850	–	–	–	–	188,189,850
At 30 April 2015	188,189,850	16,801,436	147,713,397	15,210,543	3,259,500	371,174,726

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

* **Land and buildings**

Group	Freehold land RM	Long-term leasehold land RM	Buildings RM	Total RM
At 2016				
Valuation				
At 1 May 2015	70,636,382	1,710,000	120,800,428	193,146,810
Reclassification	–	–	3,380,969	3,380,969
Translation difference	–	–	900,347	900,347
At 30 April 2016	**70,636,382**	**1,710,000**	**125,081,744**	**197,428,126**
Accumulated depreciation				
At 1 May 2015	–	53,670	4,903,290	4,956,960
Depreciation charge for the year	–	17,890	3,059,125	3,077,015
Translation difference	–	–	(38,766)	(38,766)
At 30 April 2016	**–**	**71,560**	**7,923,649**	**7,995,209**
Net carrying amount				
At 30 April 2016	**70,636,382**	**1,638,440**	**117,158,095**	**189,432,917**
At 2015				
Valuation				
At 1 May 2014	68,225,571	1,710,000	75,055,090	144,990,661
Additions	2,410,811	–	–	2,410,811
Reclassification	–	–	44,545,685	44,545,685
Translation difference	–	–	1,199,653	1,199,653
At 30 April 2015	70,636,382	1,710,000	120,800,428	193,146,810
Accumulated depreciation				
At 1 May 2014	–	35,780	2,893,729	2,929,509
Depreciation charge for the year	–	17,890	2,006,835	2,024,725
Translation difference	–	–	2,726	2,726
At 30 April 2015	–	53,670	4,903,290	4,956,960
Net carrying amount				
At 30 April 2015	70,636,382	1,656,330	115,897,138	188,189,850

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

Company	Motor vehicles	Furniture, fittings, renovation, air conditioners, office equipment and computers	Total
	RM	RM	RM
At 2016			
Cost			
At 1 May 2015	1,409,491	170,042	1,579,533
Additions	–	9,661	9,661
Disposals	(60,945)	–	(60,945)
At 30 April 2016	**1,348,546**	**179,703**	**1,528,249**
Accumulated depreciation			
At 1 May 2015	857,650	122,012	979,662
Depreciation charge for the year	74,908	15,906	90,814
Disposals	(19,299)	–	(19,299)
At 30 April 2016	**913,259**	**137,918**	**1,051,177**
Net carrying amount			
At 30 April 2016	435,287	41,785	477,072
At 2015			
Cost			
At 1 May 2014	1,559,437	154,120	1,713,557
Additions	–	15,922	15,922
Disposals	(149,946)	–	(149,946)
At 30 April 2015	1,409,491	170,042	1,579,533
Accumulated depreciation			
At 1 May 2014	849,420	106,289	955,709
Depreciation charge for the year	143,699	15,723	159,422
Disposals	(135,469)	–	(135,469)
At 30 April 2015	857,650	122,012	979,662
Net carrying amount			
At 30 April 2015	551,841	48,030	599,871

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

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

(a) Had the revalued properties been carried under the cost model, the net carrying amounts of each class of property, plant and equipment that would have been included in the financial statements of the Group would be as follows:

	Group	
	2016	**2015**
	RM	**RM**
Freehold land	**29,815,331**	29,802,187
Buildings	**100,225,665**	101,019,953
	130,040,996	130,822,140

(b) Included in property, plant and equipment of the Group and Company are fully depreciated assets which are still in use costing RM219,482,593 (2015: RM210,692,766) and RM658,078 (2015: RM76,055) respectively.

(c) The net carrying amount of temporarily idle assets of the Group amounted to RM9,793,811 (2015: RM7,513,334).

(d) Included in property, plant and equipment of the Group are motor vehicles with net carrying amount of RM4 (2015: RM4) which are held in trust by third parties.

(e) During the financial year, certain subsidiaries in Malaysia have carried out impairment review of their property, plant and equipment due to their continuing losses. A reversal of impairment loss of approximately RM41,535 (2015: RM Nil) has been recognised in the profit or loss. The recoverable amount as at 30 April 2016 was based on value in used and was determined at the level of the CGU. In determining the value in use for the CGU, the cashflow was discounted at a rate of 7.24% on a pre-tax basis of the subsidiary.

13. LAND USE RIGHTS

	Group	
	2016	**2015**
	RM	**RM**
At 1 May	**21,037,706**	20,543,187
Amortisation for the year	**(545,941)**	(491,406)
Translation difference	**995,012**	985,925
At 30 April	**21,486,777**	21,037,706
Analysed as:		
Short term leasehold land	**21,486,777**	21,037,706

14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	**2015**
	RM	**RM**
Unquoted shares, at cost	**21,716,543**	21,716,543
Accumulated impairment loss	**(1,500,000)**	(1,500,000)
	20,216,543	20,216,543

14. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiaries	Equity interest held		Principal activities	Country of incorporation
	2016	2015		
	%	%		
Nibong Tebal Enterprise Sendirian Berhad	**100.00**	100.00	Trading in paper, cotton, diapers and sanitary products	Malaysia
Nibong Tebal Paper Mill Sdn. Bhd.	**100.00**	100.00	Manufacturing and trading of paper products such as toilet rolls, tissues, serviettes 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, baby diapers, facial cotton and adult diapers	Malaysia
Nibong Tebal Logistics Sdn. Bhd.	**100.00**	100.00	Provision of integrated logistics services	Malaysia
Nibong Tebal IT Sdn. Bhd.	**100.00**	100.00	Provision of information technology support and services	Malaysia
Nibong Tebal Technology Sdn. Bhd.	**100.00**	100.00	Undertaking of research and development activities on the production technology, biotechnology and recycling of waste materials related to paper industry	Malaysia
Nibong Tebal Paper Products Sdn. Bhd.	**100.00**	100.00	Undertaking of paper product and printing related business and general trading	Malaysia
NTPM Paper Mill (Bentong) Sdn. Bhd.	**100.00**	100.00	Manufacturing and trading of paper products mainly toilet rolls	Malaysia
NTPM (Thailand) Co., Ltd.*	**100.00**	100.00	Wholesales of pulp paper and sanitary products	Thailand
NTPM (Singapore) Pte. Ltd.**	**100.00**	100.00	Importers, exporters and dealers in all kinds of paper products, tissue papers, toilet rolls, paper towels and general merchandise	Singapore
NTPM (International) Pte. Ltd.**	**100.00**	100.00	Investment holding	Singapore
NTPM (Vietnam) Co. Ltd.*	**100.00**	100.00	Manufacturing, processing (converting) tissue paper and its related products. Manufacturing semi-finished jumbo paper rolls	Vietnam

* Audited by a firm of auditors other than Ernst & Young
** Audited by member firm of Ernst & Young Global in the respective country

Impairment loss recognised

The management of the Company has carried out a review of the recoverable amount of its investments in subsidiaries. The review has led to the retention of the impairment loss of RM1,500,000 recognised in the prior year profit or loss. The recoverable amount was based on the value in use calculation using cash flow projections based on the financial budgets approved by management covering a five-year period.

The following describes each key assumption on which the management has based its cash flow projection to undertake impairment testing of investment:

- The basis used to determine the value assigned to budgeted gross margin is the average gross margin achieved in the year immediately before budgeted year.

- The weighted average growth rate used is determined based on the historical achievement in the year immediately before budgeted year adjusted for expected efficiency improvements and price increase due to inflation.

- The 7.24% (2015: 7.60%) discount rate used is pre-tax and reflects the cost of capital and internal rate of return of the Company.

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
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14. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of all CGUs, the management believes that any reasonable change in any of the above key assumptions would not cause the carrying value of the CGUs to materially exceed their recoverable amounts.

15. OTHER INVESTMENT

	Group	
	2016	2015
	RM	RM
Unquoted investment, at cost	**245,913**	245,913
Accumulated impairment loss	**(245,913)**	(245,913)
	–	–

This unquoted investment represents unquoted equity shares stated at valuation based on the net worth of the investee company. In prior years, the shares were allotted as partial settlement of trade debt due to a subsidiary of the Group. The review has led to the retention of the impairment loss recognised in the prior year's profit or loss.

The investee company was incorporated and domiciled in Singapore. The principal activities of this investee company are department stores and supermarkets as well as food, beverage and tobacco in specialized stores.

16. DEFERRED TAX

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
At 1 May	**18,381,731**	18,324,279	**(23,709)**	(30,081)
Recognised in profit or loss (Note 10)	**(712,008)**	56,140	**(13,538)**	6,372
	17,669,723	18,380,419	**(37,247)**	(23,709)
Exchange differences	**2,947**	1,312	**–**	–
At 30 April	**17,672,670**	18,381,731	**(37,247)**	(23,709)
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(464,663)**	(359,647)	**(37,247)**	(23,709)
Deferred tax liabilities	**18,137,333**	18,741,378	**–**	–
	17,672,670	18,381,731	**(37,247)**	(23,709)

16. DEFERRED TAX (CONT'D)

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

Deferred tax assets of the Group:

	Retirement benefit obligations RM	Unused tax losses, unabsorbed reinvestment allowances and capital allowances RM	Other payables RM	Others RM	Total RM
At 1 May 2015	(580,390)	(6,512,650)	(868,363)	(428,276)	(8,389,679)
Recognised in profit or loss	(68,033)	(2,472,458)	17,924	(207,737)	(2,730,304)
Exchange differences	–	–	(587)	–	(587)
At 30 April 2016	**(648,423)**	**(8,985,108)**	**(851,026)**	**(636,013)**	**(11,120,570)**
At 1 May 2014	(530,225)	(6,253,084)	(882,510)	(471,665)	(8,137,484)
Recognised in profit or loss	(50,165)	(259,566)	14,441	43,389	(251,901)
Exchange differences	–	–	(294)	–	(294)
At 30 April 2015	(580,390)	(6,512,650)	(868,363)	(428,276)	(8,389,679)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM	Revaluation of properties RM	Others RM	Total RM
At 1 May 2015	20,738,191	6,070,635	(37,416)	26,771,410
Recognised in profit or loss	1,967,690	(34,667)	85,273	2,018,296
Exchange differences	3,534	–	–	3,534
At 30 April 2016	**22,709,415**	**6,035,968**	**47,857**	**28,793,240**
At 1 May 2014	20,204,801	6,247,277	9,685	26,461,763
Recognised in profit or loss	531,784	(176,642)	(47,101)	308,041
Exchange differences	1,606	–	–	1,606
At 30 April 2015	20,738,191	6,070,635	(37,416)	26,771,410

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

16. DEFERRED TAX (CONT'D)

Deferred tax assets of the Company:

	Unabsorbed capital allowances RM	Others RM	Total RM
At 1 May 2015	–	(56,435)	(56,435)
Recognised in profit or loss	(4,955)	(3,280)	(8,235)
At 30 April 2016	**(4,955)**	**(59,715)**	**(64,670)**
At 1 May 2014	–	(65,654)	(65,654)
Recognised in profit or loss	–	9,219	9,219
At 30 April 2015	–	(56,435)	(56,435)

Deferred tax liability of the Company:

	Plant and equipment RM
At 1 May 2015	32,726
Recognised in profit or loss	(5,303)
At 30 April 2016	**27,423**
At 1 May 2014	35,573
Recognised in profit or loss	(2,847)
At 30 April 2015	32,726

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

	Group	
	2016 RM	2015 RM
Unused tax losses	**36,049,777**	20,388,720
Unabsorbed capital allowances	**12,586,060**	9,949,970
Other deductible temporary differences	**132,467**	127,875
	48,768,304	30,466,565

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.

17. INVENTORIES

	Group	
	2016	2015
	RM	RM
At cost:		
Raw materials	**63,013,021**	58,057,490
Work-in-progress	**5,171,891**	5,046,209
Finished goods	**33,110,374**	29,365,896
Trading goods	**903,654**	762,123
Consumable inventories	**23,502,636**	21,844,484
Spare parts and accessories	**5,384,389**	2,719,059
	131,085,965	117,795,261
At net realisable value:		
Finished goods	**305,882**	199,766
	131,391,847	117,995,027

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM268,436,368 (2015: 248,578,366).

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Trade receivables				
Trade receivables	**98,137,022**	90,406,626	**–**	–
Due from subsidiaries	**–**	–	**2,274,172**	1,416,793
	98,137,022	90,406,626	**2,274,172**	1,416,793
Allowance for impairment	**(464,189)**	(229,320)	**–**	–
Trade receivables, net	**97,672,833**	90,177,306	**2,274,172**	1,416,793
Other receivables				
Due from subsidiaries	**–**	–	**104,652,928**	101,265,975
Dividend receivable	**–**	–	**6,400,000**	–
Deposits for purchase of property, plant and equipment and raw materials	**4,797,344**	10,220,538	**–**	–
Prepayments	**2,048,035**	1,376,688	**–**	2,100
Sundry receivables and deposits	**1,766,623**	1,122,684	**30,482**	41,179
Staff advances	**373,420**	495,032	**65,520**	83,971
Indirect tax recoverable	**3,348,525**	4,690,693	**156,531**	6,070
	12,333,947	17,905,635	**111,305,461**	101,399,295
Allowance for impairment	**(3,672)**	(3,672)	**–**	–
Other receivables, net	**12,330,275**	17,901,963	**111,305,461**	101,399,295

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18. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total trade and other receivables	**110,003,108**	108,079,269	**113,579,633**	102,816,088
Add: Cash and bank balances (Note 20)	**50,998,523**	37,350,403	**1,834,996**	1,754,154
Less: Deposits for purchase of property, plant and equipment and raw materials	**(4,797,344)**	(10,220,538)	**–**	–
Less: Dividend receivable	**–**	–	**(6,400,000)**	–
Less: Prepayments	**(2,048,035)**	(1,376,688)	**–**	(2,100)
Less: Indirect tax recoverable	**(3,348,525)**	(4,690,693)	**(156,531)**	(6,070)
Total financial assets classified as loans and receivables	**150,807,727**	129,141,753	**108,858,098**	104,562,072

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are on both cash and credit basis. The Group's normal trade credit terms range from 30 to 90 days (2015: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

(a) Trade receivables

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2016	2015
	RM	RM
Neither past due nor impaired	**62,165,225**	60,821,764
1 to 30 days past due not impaired	**24,400,141**	20,682,071
31 to 60 days past due not impaired	**7,826,971**	5,437,597
61 to 90 days past due not impaired	**1,726,816**	1,200,798
More than 91 days past due not impaired	**1,553,680**	2,035,076
	35,507,608	29,355,542
Impaired	**464,189**	229,320
	98,137,022	90,406,626

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. The majority of the Group's trade receivables arise from customers with more than four years of experience with the Group and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM35,507,608 (2015: RM29,355,542) that are past due at the reporting date but not impaired.

18. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Receivables that are impaired

The Group's trade receivables that are individually impaired at the reporting date and the movements of the allowance accounts used to record the impairment are as follows:

	Group	
	2016	2015
	RM	RM
At 1 May	**229,320**	305,237
Charge for the year	**742,503**	–
Reversal of impairment	**(496,760)**	(76,808)
Written off	**(9,835)**	–
Exchange difference	**(1,039)**	891
At 30 April	**464,189**	229,320

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Management conducts periodic assessment on its trade receivable balance on account-by-account basis. Hence, all impairment losses are provided for specific trade receivable balances. Management is of the opinion that there are no further factors that warrants the consideration of additional impairment losses on a collective basis.

(b) Other receivables

The Group's other receivables that are individually impaired at the reporting date and the movements of the allowance accounts to record the impairment are as follows:

	Group	
	2016	2015
	RM	RM
At 1 May/30 April	**3,672**	3,672

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(c) Amounts due from subsidiaries

The amounts due from subsidiaries included under trade receivables comprise management fees which are unsecured, interest-free and within the credit term.

The amounts due from subsidiaries included under other receivables comprise unsecured advances amounting to RM104,199,970 (2015: RM100,671,288), bearing interest at rates ranging from 4.29% - 4.51% (2015: 4.10% - 4.35%) per annum which are repayable upon demand.

Further details on related party transactions are disclosed in Note 29.

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(cont'd)

19. TAX RECOVERABLE

Included in the tax recoverable of the Group are tax to be recovered from Inland Revenue Board of RM1,898,100 (2015:RM1,898,100) arising from the field audit in prior year.

20. CASH AND BANK BALANCES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Cash on hand and at banks	**27,504,831**	18,755,009	**1,764,549**	1,540,516
Deposits with licensed banks	**23,493,692**	18,595,394	**70,447**	213,638
	50,998,523	37,350,403	**1,834,996**	1,754,154

Deposits and short-term placements are made for one day and three months, and earn interests at the respective short-term deposit rates. The interest rate range as at 30 April 2016 for the Group and the Company was 1.10% - 3.00% (2015: 1.70% - 3.00%) per annum and 1.85% (2015: 1.70%) per annum respectively.

21. DERIVATIVE LIABILITIES

	Group	
	Notional Amount	**Derivative liabilities**
	RM	**RM**
Non-hedging derivatives:		
30 April 2016:		
Forward currency contracts	**26,672,391**	**108,855**
30 April 2015:		
Forward currency contracts	24,052,544	324,932

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flows or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are mainly used to hedge the Group's sales and loan and borrowings denominated in USD and SGD for which firm commitments existed at the reporting date.

During the financial year, the Group recognised a gain of RM216,077 (2015: loss of RM368,303) arising from fair value changes of derivative assets and liabilities. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 31.

22. LOANS AND BORROWINGS

	Group	
	2016	2015
	RM	RM
Current		
Unsecured:		
Bankers' acceptances	–	65,355,000
Export credit refinancing	–	18,512,000
Term loans	**35,298,461**	10,856,683
Islamic term loans	**55,143,024**	19,027,735
Onshore foreign currency loan	**12,132,078**	10,653,000
Revolving credit	**25,231,394**	33,585,525
	127,804,957	157,989,943
Non-current		
Unsecured:		
Term loans	**5,578,382**	15,651,091
Islamic term loans	**8,516,804**	17,443,003
Revolving credit	**15,619,431**	–
	29,714,617	33,094,094
Total loans and borrowings	**157,519,574**	191,084,037

The remaining maturities of the loans and borrowings as at 30 April 2016 and 2015 are as follows:

	Group	
	2016	2015
	RM	RM
On demand or within 1 year	**127,804,957**	157,989,943
More than 1 year and less than 2 years	**18,000,044**	15,245,250
More than 2 years and less than 5 years	**11,714,573**	17,848,844
	157,519,574	191,084,037

At the reporting date, the applicable interest rates per annum are as follows:

	Group	
	2016	2015
	%	%
Fixed rate:		
Term loans	**1.19 - 5.05**	2.82 - 5.40
Islamic term loans	**4.65 - 5.00**	5.00

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(cont'd)

22. LOANS AND BORROWINGS (CONT'D)

	Group	
	2016	**2015**
	%	**%**
Floating rate:		
Bankers' acceptances	–	3.40 - 4.09
Export credit refinancing	–	3.85
Onshore foreign currency loan	**1.06 - 1.59**	1.10 - 1.14
Revolving credit	**1.71 - 2.04**	1.19 - 2.30

The bank borrowings have the following terms:

- Corporate guarantees from the Company; and
- Negative pledge over the assets of certain subsidiaries.

During the current financial year, two of the subsidiaries have breached of covenants as below:

(i) NTPM Paper Mill (Bentong) Sdn. Bhd. ("NTPM Bentong") breached the covenant of its term loan as did not fulfill the requirements that its gearing ratio should not exceed 1.5 times. The balance of the said term loan of RM3.2 million was presented as current liabilities as at 30 April 2016. The bank has the absolute discretion to revise or recall banking facilities in the event of breach of covenant.

(ii) Nibong Tebal Paper Mill Sdn. Bhd. ("NTPM") breached the covenant of the Islamic term loan as did not fulfill the requirements for the submission of Occupancy Certificate for one of the production building and a warehouse in Sabah within 9 months after the disbursement of the RM40.0 million term loans and also to obtain the letter of consent from all the NTPM's existing financiers with negative pledge, failing which the Bank reserves the right to revise the terms and conditions of financing. The total borrowings with that particular bank amounted to RM52.0 million has been reclassified as current liabilities as at 30 April 2016. The bank is contractually entitled to request for immediate repayment of the outstanding loan amount in the event of breach of covenant.

The banks had not requested for immediate repayment of the outstanding loan amount as at the date when these financial statements were authorised for issue. Subsequent to year end, the banks has renewed and extended the existing banking facilities with the existing terms and conditions remained in full force and effect. The bank has also agreed to grant an indulgence for non-compliance of the condition (ii) as mentioned above.

23. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees in Malaysia and Thailand. Under the Scheme, employees with a minimum period of service of 5 years are entitled to retirement benefits calculated at 4% - 4.5% of final salary on attainment of the retirement age of 60.

The amount recognised at the reporting date represents the present value of the unfunded defined benefit obligations, analysed as follows:

	Group	
	2016	**2015**
	RM	**RM**
Current	**6,202**	1,775
Non-current	**2,705,827**	2,422,196
	2,712,029	2,423,971

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The amounts recognised in profit or loss are as follows:

	Group	
	2016	2015
	RM	RM
Current service cost	**202,459**	228,383
Interest cost	**157,590**	166,493
Total, included in employee benefits expense (Note 6)	**360,049**	394,876

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

	Group	
	2016	2015
	RM	RM
At 1 May	**2,423,971**	2,122,888
Amounts recognised in profit or loss (Note 6)	**360,049**	394,876
Contributions paid	**(71,996)**	(94,102)
Exchange differences	**5**	309
At 30 April	**2,712,029**	2,423,971

Principal actuarial assumptions used:

	Group	
	2016	2015
	RM	RM
Discount rate	**5.60**	6.00
Expected rate of salary increases	**7.00**	7.00

A quantitative sensitivity analysis for significant assumptions as at 30 April 2016 and 2015 are as shown below:

Assumptions	Discount rate		Salary increment rate	
	1% increase	1% decrease	1% increase	1% decrease
	RM	RM	RM	RM
Sensitivity Level				
2016				
Impact on the net defined benefit obligations	**(370,289)**	**448,481**	**186,797**	**(164,079)**
2015				
Impact on the net defined benefit obligations	(340,636)	414,390	225,567	(194,838)

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to be made in the future years out of the defined benefit plan obligations:

	2016 RM	2015 RM
Within the next 12 months (next annual reporting period)	**6,202**	1,775
Between 2 and 5 years	**176,954**	79,669
Between 5 and 10 years	**1,097,769**	843,900
Beyond 10 years	**19,149,535**	19,604,072
Total expected payments	**20,430,460**	20,529,416

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Trade payables	**31,049,883**	29,097,149	**3,600**	61,767
Other payables				
Due to directors	**271,650**	119,804	**209,233**	59,171
Accrual for payroll related expenses	**15,751,705**	13,003,502	**4,037,040**	2,576,865
Indirect taxes and other statutory payables	**3,767,878**	3,977,121	**99,364**	97,430
Accruals of other expenses	**30,133,422**	23,813,273	**145,254**	148,207
Sundry payables	**13,167,378**	12,501,109	**–**	–
	63,092,033	53,414,809	**4,490,891**	2,881,673
Total trade and other payables	**94,141,916**	82,511,958	**4,494,491**	2,943,440
Add: Loans and borrowings (Note 22)	**157,519,574**	191,084,037	**–**	–
Less: Non contractual payroll related expenses	**(6,552,128)**	(4,947,678)	**(3,131,340)**	(1,716,214)
Less: Indirect taxes and other statutory payables	**(3,767,878)**	(3,977,121)	**(99,364)**	(97,430)
Total financial liabilities carried at amortised cost	**241,341,484**	264,671,196	**1,263,787**	1,129,796

(a) Trade payables

The trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2015: 30 to 90 days).

Included in the trade payables is RM30,854 (2015: RM62,967) payable to Kuang Tat Food Industries Sdn. Bhd., and RM Nil (2015: RM6,072) payable to Jin Teik Organic Health Food Sdn. Bhd., companies connected to certain directors of the Group and the Company. Further details on related party transactions are disclosed in Note 29.

(b) Other payables

The amounts due to directors represent payroll related expenses and advances from the directors of the Company and its subsidiaries. The amounts due are interest free and repayable upon demand.

25. SHARE CAPITAL

	Authorised share capital			
	Number of ordinary shares of RM0.10 each		← Amount →	
	2016	2015	2016 RM	2015 RM
At 30 April	**2,500,000,000**	2,500,000,000	**250,000,000**	250,000,000

	Number of ordinary shares of RM0.10 each		← Amount →	
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM	Treasury shares RM
At 1 May 2014	1,123,200,000	(20,000)	112,320,000	(14,976)
Purchase of treasury shares	–	(20,000)	–	(14,476)
At 30 April 2015	1,123,200,000	(40,000)	112,320,000	(29,452)
Purchase of treasury shares	–	(20,000)	–	(17,779)
At 30 April 2016	**1,123,200,000**	**(60,000)**	**112,320,000**	**(47,231)**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company acquired 20,000 (2015: 20,000) ordinary shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year. The total amount paid to acquire the repurchased shares was RM17,779 (2015: RM14,476) and this was presented as a component within shareholders' equity.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

26. OTHER RESERVES

	← Non-distributable	→	
	Asset revaluation reserve RM	Foreign currency translation reserve RM	Total RM
Group			
At 1 May 2014	42,194,967	1,462,720	43,657,687
Foreign currency translation	–	1,710,674	1,710,674
At 30 April 2015	42,194,967	3,173,394	45,368,361
Foreign currency translation	–	1,921,606	1,921,606
At 30 April 2016	**42,194,967**	**5,095,000**	**47,289,967**

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(cont'd)

26. OTHER RESERVES (CONT'D)

The nature and purpose of each category of reserves are as follows:

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of freehold land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

27. RETAINED PROFITS

The Company may distribute dividends out of its entire retained profits as at 30 April 2016 and 2015 under the single tier system.

28. DIVIDENDS

	Dividend recognised in the year		Net dividend per share	
	2016	2015	2016	2015
	RM	RM	Sen	Sen
In respect of the financial year ended 30 April 2016:				
Single tier interim dividend of 8.00% paid on 22 April 2016	**8,985,120**	–	**0.80**	–
In respect of the financial year ended 30 April 2015:				
Single tier interim dividend of 7.25% paid on 16 April 2015	**–**	8,142,912	**–**	0.72
In respect of the financial year ended 30 April 2014:				
Single tier interim dividend of 14.5% paid on 26 September 2014	**–**	16,286,110	**–**	1.45
	8,985,120	24,429,022	**0.80**	2.17

At the forthcoming Annual General Meeting, a final dividend, in respect of the financial year ended 30 April 2016, of 8% single tier on 1,123,140,000 ordinary shares, amounting to dividend payable of RM8,985,120 (0.80 sen net per ordinary share) will be proposed for shareholder's approval.

The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 April 2017.

29. RELATED PARTY DISCLOSURES

	Group	
	2016	2015
	RM	RM
Purchase of health supplement (trading goods) from Jin Teik Organic Health Food Sdn. Bhd., a company connected to certain directors of the Group and the Company	**242,141**	641,637
Purchase of vermicelli (trading goods) from Kuang Tat Food Industries Sdn. Bhd., a company connected to certain directors of the Group and the Company	**247,986**	99,867

		Company	
		2016	2015
		RM	RM
Advances to/(repayment from) subsidiaries, net		**3,386,953**	(1,911,569)
Management fee paid/payable to a subsidiary	(i)	**99,530**	132,341
Management fees received/receivable from subsidiaries	(i)	**9,903,689**	8,488,904
Dividend income received/receivable from subsidiaries		**15,400,000**	8,000,000
Interest income received/receivable from subsidiaries		**4,530,118**	4,322,729
Rental paid to a subsidiary	(i)	**43,200**	43,200

(i) Management fees and rental paid were arrived at in accordance with prices negotiated between the parties.

Information regarding outstanding balances arising from related party transactions as at 30 April 2016 and 2015 are disclosed in Notes 18 and 24.

The remuneration of key management during the year were as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Short term employee benefits	**6,512,125**	5,004,414	**5,594,897**	4,272,524
Post-employment benefit:				
Defined contribution plan	**738,416**	575,673	**657,173**	433,840
	7,250,541	5,580,087	**6,252,070**	4,706,364
Included in the total remuneration of key management personnel are:				
Directors' remuneration	**7,250,541**	5,580,087	**6,252,070**	4,706,364

30. CAPITAL COMMITMENTS

	Group	
	2016	2015
	RM	RM
Capital expenditure:		
Approved and contracted for:		
Land and buildings	**564,265**	1,802,461
Plant and machinery	**2,360,507**	2,424,664
	2,924,772	4,227,125

31. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of the assets and liabilities carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1) RM	Significant other observable inputs (Level 2) RM	Significant un-observable inputs (Level 3) RM	Total RM
Group				
At 2016				
Non-financial assets				
- Land and buildings (Note 12)				
- Freehold land	–	–	70,636,382	70,636,382
- Long term leasehold land	–	–	1,638,440	1,638,440
- Buildings	–	–	117,158,095	117,158,095
Financial liabilities				
-Derivative liabilities (Note 21)	–	(108,855)	–	(108,855)

31. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) Fair value of assets and liabilities that are carried at fair value (Cont'd)

	Quoted prices in active markets for identical instruments (Level 1) RM	Significant other observable inputs (Level 2) RM	Significant un-observable inputs (Level 3) RM	Total RM
Group				
At 2015				
Non-financial assets				
- Land and buildings (Note 12)				
- Freehold land		–	70,636,382	70,636,382
- Long term leasehold land		–	1,656,330	1,656,330
- Buildings		–	115,897,138	115,897,138
Financial liabilities				
- Derivative liabilities (Note 21)		(324,932)	–	(324,932)

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 3 fair value measurements

i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

	Fair value RM	Valuation Techniques	Unobservable inputs	Range
At 2016				
Property, plant and Equipment				
- Freehold land	70,636,382 (2015: 70,636,382)	Market comparable approach	Yield adjustments based on management's assumptions*	-41% to 45% (2015: -35% to 45%)
- Long term leasehold land	1,638,440 (2015: 1,656,330)	Market comparable approach	Yield adjustments based on management's assumptions*	-8% to 10% (2015: 8% to 12%)
- Buildings	117,158,095 (2015: 115,897,138)	Depreciated replacement cost approach	Yield adjustments based on management's assumptions*	-50% to -2% (2015: -50% to -10%)

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

31. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) Fair value of assets and liabilities that are carried at fair value (Cont'd)

Level 3 fair value measurements (Cont'd)

i) Information about significant unobservable inputs used in Level 3 fair value measurements (Cont'd)

For property, plant and equipment, a significant increase/(decrease) in yield adjustments based on management's assumptions would result in significantly higher/(lower) fair value measurements.

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonable possible alternative assumptions.

		Effect of reasonable possible alternative assumptions – Increase/(decrease)	
	Carrying Amount	Profit or loss	Other comprehensive income
	RM	RM	RM
2016			
Property, plant and equipment			
- Freehold land	**70,636,382**	**928**	**611,952**
- Long term leasehold land	**1,638,440**	**–**	**16,114**
- Buildings	**117,158,095**	**234,166**	**915,961**
2015			
Property, plant and equipment			
- Freehold land	70,636,382	916	639,298
- Long term leasehold land	1,656,330	–	13,100
- Buildings	115,897,138	220,703	695,786

In order to determine the effect of the above reasonably positive alternative assumptions, the Group adjusted the yield adjustments based on management's assumptions by increasing and decreasing the adjustments by 1% depending on nature, location or condition of the specific property.

ii) Movement in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based in significant unobservable inputs (Level 3):

	Property, plant and equipment		
	Freehold land	Long term leasehold land	Buildings
	RM	RM	RM
At 2016			
Opening balance	**70,636,382**	**1,656,330**	**115,897,138**
Depreciation charge for the year	**–**	**(17,890)**	**(3,059,125)**
Reclassification	**–**	**–**	**3,380,969**
Translation difference	**–**	**–**	**939,113**
Closing balances	**70,636,382**	**1,638,440**	**117,158,095**

31. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) Fair value of assets and liabilities that are carried at fair value (Cont'd)

ii) Movement in Level 3 assets and liabilities measured at fair value (Cont'd)

	Property, plant and equipment		
	Freehold land	Long term leasehold land	Buildings
	RM	RM	RM
At 2015			
Opening balance	68,225,571	1,674,220	72,161,361
Additions	2,410,811	–	–
Depreciation charge for the year	–	(17,890)	(2,006,835)
Reclassification	–	–	44,545,685
Translation difference	–	–	1,196,927
Closing balances	70,636,382	1,656,330	115,897,138

iii) Valuation policies and procedures

The Group engages external professional property valuers to perform the valuation and fair value determination of all its real properties on an annual basis. Changes in Level 3 fair values are analysed and evaluated by the management after obtaining the valuation report from the external valuation experts for reasonableness before adoption into the annual accounts.

(b) Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM	RM	RM	RM
Group				
Loans and borrowings				
- Term loans (Note 22)	**5,578,382**	**5,406,457**	15,651,091	14,975,395
- Islamic term loans (Note 22)	**8,516,804**	**8,413,252**	17,443,003	15,582,037
- Revolving credits (Note 22)	**15,619,431**	**16,087,830**	–	–
	29,714,617	**29,907,539**	33,094,094	30,557,432

(c) Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	18
Loans and borrowings (current)	22
Trade and other payables	24

31. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (Cont'd)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Amounts due from subsidiaries, staff loans, and fixed rate bank loans

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Chief Executive Officer and Financial Controller. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by limiting their associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reports.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Group Chief Executive Officer.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:
- The carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values
- A nominal amount of RM92,439,108 (2015: RM174,366,343) relating to corporate guarantees provided by the Company to banks as securities for the subsidiaries' bank borrowings as disclosed in Note 22.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 18.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	2016		2015	
	RM	%	RM	%
By country:				
Malaysia	**76,246,769**	**78**	69,608,085	77
Singapore	**15,718,984**	**16**	14,942,596	17
Other countries	**5,707,080**	**6**	5,626,625	6
	97,672,833	**100**	90,177,306	100
By industry sector:				
Supermarket	**50,957,046**	**52**	48,019,205	53
Wholesale	**11,676,683**	**12**	12,438,952	14
Retail	**22,818,766**	**23**	18,161,297	20
Commercial/others	**12,220,338**	**13**	11,557,852	13
	97,672,833	**100**	90,177,306	100

At the reporting date, approximately 27% (2015: 33%) of the Group's trade receivables were due from 5 (2015: 6) major customers who are located in Malaysia and Singapore.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 18. Deposits with banks and other financial institutions and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of available credit facilities.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet the working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position. Furthermore, the Group and the Company are able to raise funds from both capital markets and financial institutions and balance its portfolio with a combination of a mixture of short and long term fundings so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2016		
	On demand or within 1 year	**1 to 5 years**	**Total**
	RM	**RM**	**RM**
Group			
Financial assets:			
Trade and other receivables	**99,809,204**	**–**	**99,809,204**
Cash and bank balances	**50,998,523**	**–**	**50,998,523**
Total undiscounted financial assets	**150,807,727**	**–**	**150,807,727**
Financial liabilities:			
Trade and other payables	**83,821,910**	**–**	**83,821,910**
Derivatives liabilities	**108,855**	**–**	**108,855**
Loans and borrowings	**134,929,082**	**35,420,988**	**170,350,070**
Total undiscounted financial liabilities	**218,859,847**	**35,420,988**	**254,280,835**
Total net undiscounted financial liabilities	**(68,052,120)**	**(35,420,988)**	**(103,473,108)**
Company			
Financial assets:			
Trade and other receivables	**107,023,102**	**–**	**107,023,102**
Cash and bank balances	**1,834,996**	**–**	**1,834,996**
Total undiscounted financial assets	**108,858,098**	**–**	**108,858,098**
Financial liabilities:			
Trade and other payables representing total undiscounted financial liabilities	**1,263,787**	**–**	**1,263,787**
Total net undiscounted financial assets	**107,594,311**	**–**	**107,594,311**
	2015		
Group			
Financial assets:			
Trade and other receivables	91,791,350	–	91,791,350
Cash and bank balances	37,350,403	–	37,350,403
Total undiscounted financialassets	129,141,753	–	129,141,753
Financial liabilities:			
Trade and other payables	73,587,159	–	73,587,159
Derivative liabilities	324,932	–	324,932
Loans and borrowings	160,217,117	35,262,988	195,480,105
Total undiscounted financialliabilities	234,129,208	35,262,988	269,392,196
Total net undiscounted financial liabilities	(104,987,455)	(35,262,988)	(140,250,443)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	2015		
	On demand or within 1 year	1 to 5 years	Total
	RM	RM	RM
Company			
Financial assets:			
Trade and other receivables	102,805,818	–	102,805,818
Cash and bank balances	1,754,154	–	1,754,154
Total undiscounted financial assets	104,559,972	–	104,559,972
Financial liabilities:			
Trade and other payables representing total undiscounted financial liabilities	1,129,796	–	1,129,796
Total net undiscounted financial assets	103,430,176	–	103,430,176

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from their loans and borrowings while the Company's interest rate risk arises primarily from their intercompany receivable. Loans and borrowings and intercompany receivables charged at floating rates expose the Group and the Company to cash flow interest rate risk.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis point higher/(lower), with all other variables held constant, the Group's and the Company's profit net of tax would have been RM9,220 (2015:RM96,079) (lower)/higher and RM79,172 (2015:RM75,503) higher/(lower) respectively. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's and the Company's profit net of tax (through the impact on interest expense from floating rate loans and borrowings) and of the Company's profit net of tax (through the impact on interest income from floating rate advances to certain subsidiaries).

		Group	Company
		2016	2016
	Increase/ (decrease) in basic point	Effect on profit net of tax	Effect on profit net of tax
		RM	RM
- Ringgit Malaysia	**+10**	**(9,220)**	**79,192**
- Ringgit Malaysia	**-10**	**9,220**	**(79,192)**

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk (Cont'd)

	Increase/ (decrease) in basic point	Group 2015 Effect on profit net of tax RM	Company 2015 Effect on profit net of tax RM
- Ringgit Malaysia	+10	(96,079)	75,503
- Ringgit Malaysia	-10	96,079	(75,503)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily RM, Singapore Dollar ("SGD"), Vietnamese Dong ("VDN") and Thai Baht ("THB"). The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD").

Approximately 27% (2015: 23%) of the Group's sales are denominated in foreign currency whilst almost 81% (2015: 74%) of the Group's costs is denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances amounted to RM22,698,718 (2015: RM16,788,471) for the Group.

The Group requires all of its operating entities to use forward currency contracts to mitigate the currency exposures on any firm commitment for a sale or purchase.

During the year ended 30 April 2016, the Group hedged 12% (2015: 14%) of its foreign currencies denominated sales.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and Company's profit net of tax to a reasonably possible change in the various exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group Profit net of tax RM	Company Profit net of tax RM
2016			
USD/MYR	- strengthened 5%	**(3,748,004)**	**–**
	- weakened 5%	**3,748,004**	**–**
THB/MYR	- strengthened 5%	**1,014,648**	**–**
	- weakened 5%	**(1,014,648)**	**–**
SGD/MYR	- strengthened 10%	**8,546**	**49,150**
	- weakened 10%	**(8,546)**	**(49,150)**

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (Cont'd)

		Group Profit net of tax RM	Company Profit net of tax RM
2015			
USD/MYR	- strengthened 5%	(2,350,857)	–
	- weakened 5%	2,350,857	–
THB/MYR	- strengthened 5%	563,545	–
	- weakened 5%	(563,545)	–
SGD/MYR	- strengthened 10%	(22,214)	40,858
	- weakened 10%	22,214	(40,858)

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating, interest coverage ratio and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 April 2016 and 2015.

The Group monitors capital using net gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the Group's net gearing ratio at a level deemed appropriate considering business, economic and investment conditions.

	Group 2016 RM	Group 2015 RM
Loans and borrowings (Note 22)	**157,519,574**	191,084,037
Less: Cash and bank balances (Note 20)	**(50,998,523)**	(37,350,403)
Net debt	**106,521,051**	153,733,634
Equity attributable to owners of the parent, representing capital	**410,911,489**	360,325,400
Capital and net debt	**517,432,540**	514,059,034
Net gearing ratio	**21%**	30%

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016
(cont'd)

34. SEGMENTAL INFORMATION

(a) Product segments:

The operations of the Group mainly consist of two main products, which are:

i. Tissue products such as toilet rolls, tissues and serviettes.

ii. Personal care products such as sanitary products, baby and adult diapers and cotton products.

	Tissue RM	Personal care RM	Amalgamation RM	Consolidated RM
2016				
Revenue				
Revenue from external customers	419,057,023	182,648,479	601,705,502	601,705,502
Results				
Segment results	67,438,503	16,110,418	83,548,921	83,548,921
Interest income	650,460	17,148	667,608	667,608
Operating profit				84,216,529
Finance costs				(6,027,021)
Profit before tax				78,189,508
Income tax expense				(20,522,126)
Profit net of tax				57,667,382
Assets and liabilities				
Segment assets	530,017,792	152,615,589	682,633,381	682,633,381
Unallocated assets:				
Deferred tax assets				464,663
Tax assets				2,208,817
Consolidated total assets				685,306,861
Segment liabilities	68,968,842	27,993,958	96,962,800	96,962,800
Unallocated liabilities:				
Loans and borrowings				157,519,574
Tax liabilities				1,775,665
Deferred tax liabilities				18,137,333
Consolidated total liabilities				274,395,372
Other information				
Additions to non-current assets	13,313,430	12,075,319	25,388,749	25,388,749
Depreciation	22,812,713	6,528,102	29,340,815	29,340,815
Amortisation of land us right lease payments	534,136	11,805	545,941	545,941
Reversal of impairment loss on plant, property and equipment	(41,535)	–	(41,535)	(41,535)
Non-cash expenses other than depreciation and impairment losses	886,277	116,532	1,002,809	1,002,809

34. SEGMENTAL INFORMATION (CONT'D)

(a) Product segments: (Cont'd)

	Tissue RM	Personal care RM	Amalgamation RM	Consolidated RM
2015				
Revenue				
Revenue from external customers	384,352,099	163,161,799	547,513,898	547,513,898
Results				
Segment results	54,874,311	10,091,542	64,965,853	64,965,853
Interest income	359,523	19,064	378,587	378,587
Operating profit				65,344,440
Finance costs				(6,025,969)
Profit before tax				59,318,471
Income tax expense				(16,676,921)
Profit net of tax				42,641,550
Assets and liabilities				
Segment assets	528,092,680	127,544,451	655,637,131	655,637,131
Unallocated assets:				
Deferred tax assets				359,647
Tax assets				2,618,828
Consolidated total assets				658,615,606
Segment liabilities	62,863,163	22,397,698	85,260,861	85,260,861
Unallocated liabilities:				
Loans and borrowings				191,084,037
Tax liabilities				3,203,930
Deferred tax liabilities				18,741,378
Consolidated total liabilities				298,290,206
Other information				
Additions to non-current assets	71,864,390	21,215,062	93,079,452	93,079,452
Depreciation	22,448,852	5,691,307	28,140,159	28,140,159
Amortisation of prepaid land lease payments	479,601	11,805	491,406	491,406
Non-cash expenses other than depreciation and impairment losses	1,314,910	(72,223)	1,242,687	1,242,687

34. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical segments:

The Group's operations are mainly located in Malaysia, except those of the subsidiaries in Singapore, Thailand and Vietnam. The customers for the manufacturing businesses are located worldwide, namely in Singapore and other countries such as Hong Kong, Brunei, the Philippines, South Africa, Australia, New Zealand and the United States of America.

	Total revenue from external customers		Segment assets		Additions to non-current assets	
	2016	2015	2016	2015	2016	2015
	RM	RM	RM	RM	RM	RM
Malaysia	**432,622,300**	418,207,012	**568,881,828**	551,668,492	**23,799,059**	61,432,828
Singapore	**78,436,337**	67,621,199	**19,257,405**	17,507,138	**85,837**	12,101
Vietnam	**3,483,524**	7,006	**81,376,405**	73,594,749	**1,503,853**	31,582,491
Others *	**87,163,341**	61,678,681	**13,117,743**	12,866,752	**–**	52,032
Consolidated	**601,705,502**	547,513,898	**682,633,381**	655,637,131	**25,388,749**	93,079,452

* Others mainly refer to countries such as Thailand, Hong Kong, Brunei, the Philippines, South Africa, Australia, New Zealand and the United States of America.

Information about major customers

Revenue from 7 (2015: 7) major customers amounting to RM124,132,405 (2015: RM132,495,568) arose from sales made from the tissue segment.

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 April 2016 were authorised for issue in accordance with a resolution of the directors on 18 August 2016.

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36. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

The breakdown of the retained profits of the Group and of the Company into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained profits as at reporting date may be analysed as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Total retained profits of the Company and its subsidiaries				
- Realised	**244,433,200**	188,702,130	**19,377,065**	10,110,921
- Unrealised	**(17,414,819)**	(10,728,642)	**97,970**	98,102
Add: Consolidation adjustments	**24,330,372**	24,693,003	**–**	–
	251,348,753	202,666,491	**19,475,035**	10,209,023

LIST OF PROPERTIES

	Location/Address	Description of property/ Existing use	Land/ Built-up Area (Sq. m.)	Approximate Age of Building (Year)	Tenure	Registered Owner	Date of Valuation	NBV 30.4.2016 RM
1	Lot 109, Lot 609, Lot 808, Lot 811, Lot 1126, Lot 1127, Lot 1129, Lot 1131, Lot 1132, Lot 1133, Lot 1136, Lot 1139, Lot 810, Lot 958, Lot 959, Lot 1140, Lot 1143 Mukim 8, Seberang Perai Selatan, Penang.	All the Lots are utilised as paper mill and paper related manufacturing factory with exception of Lot 1127, Lot 1132, Lot 1140, Lot 958, Lot 959, Lot 1143 & Lot 810 which are currently vacant. The entire factory is located at No. 886, Jalan Bandar Baru, Sungai Kecil, 14300 Nibong Tebal.	258,006/ 98,762	Between 1 to 37	Freehold industrial land	NTPM	30.4.2012	78,397,976
2	Lot 642, Grant No. 2263, Mukim 8, Seberang Perai Selatan, Penang.	A parcel of agricultural land.	52,100	–	Freehold agricultural land	NTPM	30.4.2012	1,290,000
3	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 utilised as wet wipe manufacturing plant.	4,165/ 3,120	Between 5 to 20	Leasehold industrial land for a term of 60 years expiring on 22.10.2047	NTPM	30.4.2012	1,548,380
4	Lot 6292, Lot 6293, Lot 6294 & Lot 6295 Mukim 7, and Lot 794, G.M. 277, Mukim 8, Seberang Perai Selatan, Penang.	Lot 6293 & Lot 6295 - vehicle workshop building. Lot 794 - pump house. Lot 6292 & Lot 6294 are utilised as sanitary napkin and cotton products manufacturing plant.	73,059/ 15,615	Between 1 to 14	Freehold industrial land except for Lot 794 which is a freehold agricultural land	NTPM	30.4.2012	22,934,634
5	H.S.(D) 224308 PTD No. 41665 Senai-Kulai, Johor Bahru, Johor.	An office and warehouse complex.	4,390/ 1,593	13	Freehold land	NTPM	30.4.2012	2,145,657
6	No 5, Jalan Tiang U8/93, Bukit Jelutong Industrial Park, Shah Alam, Selangor.	An office and warehouse complex.	10,000/ 5,950	Between 6 to 11	Freehold industrial land	NTPM	30.4.2012	15,432,400
7	Lot No 784, G.M. 267, Lot No 786, G.M. 269, Lot No 787, G.M. 270, Lot No 788, G.M. 271, Lot No 789, G.M. 273, Lot No 790, G.M. 274, Lot No 799, G.M. 279, Lot No 800, G.M. 280, Lot No 960, G.M. 504, Lot No 812, G.M. 287, Mukim 8, Seberang Perai Selatan, Penang.	Vacant agriculture land except for the following: Lot 784, Lot 786, Lot 787, Lot 788 & Lot 960 which are utilised as open storage yard for waste paper and material feed for boiler.	116,529/ 9,365	2	Freehold land	NTPM	30.4.2012	5,264,726
8	Lot 1138 Mukim 8, Seberang Perai Selatan, Penang.	Vacant freehold land.	2,344	–	Freehold land	NTPM	31.01.2015*	130,334

LIST OF PROPERTIES
(cont'd)

	Location/Address	Description of property/ Existing use	Land/ Built-up Area (Sq. m.)	Approximate Age of Building (Year)	Tenure	Registered Owner	Date of Valuation	NBV 30.4.2016 RM
9	Lot 7278, Pajakan Negeri, Mukim Parit Buntar, Daerah Kerian, Perak.	A personal care manufacturing factory, office & warehouse factory located at P.t. No 3688, Jln Perusahaan 3, Kawasan Perindustrian Parit Buntar, 34200 Parit Buntar.	16,192/ 12,417	Between 7 to 8	Leasehold industrial land for a term of 60 years expiring on 1.6. 2050	NTPC	30.4.2012	5,521,388
10	Lot 192, G.M. 423, Mukim Senai, Kulaijaya, Johor.	Vacant industrial land.	21,094	–	Freehold land	NTPM	30.4.2012	4,000,000
11	Lot 8389, Pajakan Negeri No. Hakmilik 49664, Lot 8390, Pajakan Negeri No. Hakmilik 49659, Lot 8391, Pajakan Negeri No. Hakmilik 49656, Mukim Krubong, Daerah Melaka Tengah, Melaka.	An office and warehouse complex.	6,354/ 3,810	5	Leasehold industrial land for a term of 99 years expiring on 24.11.2107	NTPM	30.4.2012	4,853,038
12	H.S. (D) No. 10962, PT 11712, H.S. (D) No. 10963, PT 11713, H.S. (D) No. 4026, PT 4497, H.S. (D) No. 4041, PT 4512, Mukim and District of Bentong, Pahang.	Paper Mill and tissue manufacturing factory. The factory is located at Lot 65, Kawasan Perindustrian Bentong, 28700, Bentong, Pahang.	42,950/ 8,000	Between 4 to 5	Leasehold industrial land for a term of 66 years expiring in 8.4.2059 & 22.3.2053	NTPM (Bentong)	30.4.2012	7,727,884
13	Lot 3A, Industrial Zone 7 (IZ 7) CL015582153, Kota Kinabalu Industrial Park (KKIP), Kota Kinabalu, Sabah.	Tissue converting plant and warehouse.	19,870/ 7,333	2	Freehold land	NTPM	9.4.2010 *	14,951,298
14	Lot 148,149,150,160,161 &162 VSIP IIA, Tan Uyen Town Binh Duong Province, Vietnam.	Paper Mill manufacturing factory and warehouse.	100,000/ 8,039	2	Leasehold industrial land for a term of 45 years expiring in 19.3.2058	NVCL	23.11.2012*	22,954,722
15	HS(D) 18622 PT 6543, Mukim Sungai Karang, District of Kuantan, State of Pahang.	Vacant industrial land.	11,768	–	Freehold land	NTPM	30.4.2015*	2,280,477
								189,432,914

Note: * date of acquisition

ANALYSIS OF SHAREHOLDINGS
AS AT 01 AUGUST 2016

SHARE CAPITAL

Authorised Capital	:	RM250,000,000.00
Issued and Fully Paid-Up Capital	:	RM112,320,000.00 consists of 1,123,200,000 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	%#
43	Less than 100	1,576	*
321	100 - 1,000	214,990	0.02
1,945	1,001 - 10,000	10,739,328	0.96
1,108	10,001 to 100,000	36,240,132	3.23
299	100,001 to less than 5% of issued shares	563,885,250	50.20
3	5% and above of issued shares	512,058,724	45.59
3,719		1,123,140,000	100.00

Based on the issued and paid up capital of the Company of RM112,320,000 comprising 1,123,200,000 Shares, excluding 60,000 treasury shares retained by the Company .

* Negligible

30 LARGEST SECURITIES ACCOUNT HOLDERS
(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%#
1	LEE SEE JIN	327,460,249	29.16
2	LEE CHONG CHOON	126,711,197	11.28
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *(TEOH TEIK LIN)*	57,887,278	5.15
4	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *(KOTA BERAS SDN BHD)*	43,471,922	3.87
5	B. T. TEOH HOLDINGS SDN. BHD.	38,000,012	3.38
6	UOBM NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR TEOH BOON BENG @ TEOH ENG KUAN)*	18,737,100	1.67
7	WU, KUN-CHIN	16,187,600	1.44
8	HSBC NOMINEES (ASING) SDN BHD *(EXEMPT AN FOR MORGAN STANLEY & CO INTERNATIONAL PLC (IPB CLIENT ACCT)*	15,605,900	1.39
9	NG INN BEO	13,449,421	1.20
10	KUMPULAN WANG PERSARAAN	13,387,900	1.19
11	TEOH PENG HEONG & SONS SDN. BHD.	12,940,000	1.15
12	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *(THE BANK OF NEW YORK MELLON FOR THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM)*	12,769,400	1.14
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *(EMPLOYEES PROVIDENT FUND BOARD)*	12,302,700	1.10
14	HSBC NOMINEES (ASING) SDN BHD *(TNTC FOR APOLLO ASIA FUND LTD)*	12,245,500	1.09
15	GINNY TEOH CHOOI SEAN	11,710,000	1.04
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *(KUMPULAN WANG PERSARAAN)*	10,760,300	0.96
17	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD *(CIMB COMMERCE TRUSTEE BERHAD – KENANGA GROWTH FUND)*	10,752,700	0.96

ANALYSIS OF SHAREHOLDINGS
AS AT 01 AUGUST 2016
(cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)
(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%#
18	TEOH BOON TEONG	10,710,000	0.95
19	TAN KIA MENG	10,447,639	0.93
20	HSBC NOMINEES (ASING) SDN BHD *(EXEMPT AN FOR CREDIT SUISSE)*	10,400,014	0.93
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *(TEOH BEE NEE)*	10,000,000	0.89
22	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *(TEOH YEW NEE)*	10,000,000	0.89
23	TAN KIA CHUAN	10,000,000	0.89
24	TAN KIA SIEW	10,000,000	0.89
25	TEOH TEIK KEE	9,840,000	0.88
26	KOTA BERAS SDN BHD	8,900,000	0.79
27	TEOH HOOI NEE	8,740,000	0.78
28	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT – DBS BANK LTD FOR TEOH TEIK TOE)*	8,213,400	0.73
29	HENG KIM NAM SDN. BHD.	7,370,000	0.66
30	AMANAHRAYA TRUSTEES BERHAD	6,418,300	0.57

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

	No. of Shares beneficially held				
Name of Substantial Shareholders	Direct	%#	Indirect	%#	Note
Lee See Jin	327,460,249	29.16	138,469,382	12.33	a
Lee Chong Choon	132,111,197	11.76	–	–	
Teoh Teik Lin	62,577,278	5.57	52,371,922	4.66	b
Dato' Teoh Boon Beng @ Teoh Eng Kuan	20,125,800	1.79	176,869,214	15.75	c

Notes :

a. Deemed interests through his spouse and children pursuant to Section 134 (12) of the Companies Act, 1965 ("the Act").

b. By virtue of his interest in Kota Beras Sendirian Berhad ("KBSB"), Teoh Teik Lin is deemed interested in the Shares of the Company to the extent that KBSB has an interest.

c. i) By virtue of his interest in KBSB and Teoh Peng Heong & Sons Sdn Bhd ("TPH"), Dato' Teoh Boon Beng @ Teoh Eng Kuan is deemed interested in the Shares of the Company to the extent that KBSB and TPH have an interest.

ii) Deemed interests through his children pursuant to Section 134 (12) of the Act.

ANALYSIS OF SHAREHOLDINGS
AS AT 01 AUGUST 2016
(cont'd)

DIRECTORS' SHAREHOLDINGS (DIRECT & INDIRECT)

	No of Shares beneficially held				
Name of Directors	**Direct**	**%#**	**Indirect**	**%#**	**Note**
Dato' Teoh Boon Beng @ Teoh Eng Kuan	20,125,800	1.79	176,869,214	15.75	a
Lee See Jin	327,460,249	29.16	138,469,382	12.33	b
Lee Chong Choon	132,111,197	11.76	–	–	
Dr. Teoh Teik Toe	8,213,400	0.73	–	–	
Lim Han Nge	–	–	–	–	
Teoh Teik Lin (Alternate Director to Dato' Teoh Boon Beng @ Teoh Eng Kuan)	62,577,278	5.57	52,371,922	4.66	c
Chang Kong Foo	100,000	0.01	280,000	0.02	d

Notes :

a. i) By virtue of his interest in KBSB and TPH, Dato' Teoh Boon Beng @ Teoh Eng Kuan is deemed interested in the Shares of the Company to the extent that KBSB and TPH have an interest.
   ii) Deemed interests through his children pursuant to Section 134 (12) of the Act.

b. Deemed interests through his spouse and children pursuant to Section 134 (12) of the Act.

c. By virtue of his interest in KBSB, Teoh Teik Lin is deemed interested in the Shares of the Company to the extent that KBSB has an interest.

d. Deemed interests through his spouse & child pursuant to Section 134 (12) of the Act.

INTERESTS IN THE RELATED CORPORATIONS

Dato' Teoh Boon Beng @ Teoh Eng Kuan and Mr. Lee See Jin, by virtue of their interests in Shares in the Company, are deemed interested in Shares of all the Company's related corporations to the extent the Company has an interest.

Save as disclosed above, none of the other Directors in office at the end of the financial year had any interest in Shares in the Company or its related corporations.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth (20th) Annual General Meeting of NTPM Holdings Berhad ("the Company") will be held at Bukit Jawi Golf Resort, 691, Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Pulau Pinang on Friday, 23 September 2016 at 9.30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS: -

1. To receive the Audited Financial Statements for the financial year ended 30 April 2016 together with the Reports of the Directors and Auditors thereon. *(Please refer to Note 1)*

2. To approve the declaration of a final single tier dividend of 8% for the financial year ended 30 April 2016. Resolution 1

3. To re-elect Mr. Lee Chong Choon who is retiring in accordance with Article 133 of the Company's Articles of Association and being eligible, is offering himself for re-election. Resolution 2

4. To consider and, if thought fit, to pass the following resolutions in accordance with Section 129(6) of the Companies Act, 1965 as Ordinary Resolutions:-

   (i) "**THAT** Dato' Teoh Boon Beng @ Teoh Eng Kuan, who is over the age of seventy years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of next Annual General Meeting of the Company." Resolution 3

   (ii) "**THAT** Mr. Lee See Jin, who is over the age of seventy years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of next Annual General Meeting of the Company." Resolution 4

5. To approve the payment of Directors' fees of RM360,000 for the financial year ended 30 April 2016. Resolution 5

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. Resolution 6

AS SPECIAL BUSINESS: -

7. To consider and, if thought fit, to pass the following resolutions, with or without modification:-

   7.1 Ordinary Resolution:-
   Proposed renewal of share buy-back authority for the Company to purchase its own ordinary shares of up to 10% of its issued and paid-up ordinary share capital ("Proposed Renewal of Share Buy-Back Mandate")

   "**THAT**, subject to the Companies Act, 1965 ("the Act"), the provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Directors of the Company be and are hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.10 each in the Company ("Shares") from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

   (a) the aggregate number of Shares which may be purchased or held by the Company shall not exceed ten per centum (10%) of the total issued and paid-up ordinary share capital for the time being of the Company, subject to a restriction that the Company continues to maintain a shareholding spread that is in compliance with the Main Market Listing Requirements of Bursa Securities after the Share Buy-Back;

   (b) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares under the Proposed Renewal of Share Buy-Back Mandate shall not exceed the aggregate of the retained profits and share premium account of the Company based on the latest audited financial statement and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s);

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

AS SPECIAL BUSINESS: - (Cont'd)

7.1 Ordinary Resolution:-
Proposed renewal of share buy-back authority for the Company to purchase its own ordinary shares of up to 10% of its issued and paid-up ordinary share capital ("Proposed Renewal of Share Buy-Back Mandate") (Cont'd)

(c) authority conferred by this resolution shall commence immediately upon passing of this ordinary resolution and shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or

(ii) the expiration of the period within which the next AGM after the date is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first; but not so as to prejudice the completion of purchase(s) by the Company of the Shares before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

(d) upon completion of the purchase(s) of the Shares by the Company, authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either to cancel the Shares so purchased and/or to retain the Shares so purchased as treasury shares and if retained as treasury shares, may resell the treasury shares and/or to distribute as share dividends to shareholders in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Renewal of Share Buy-Back Mandate with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the Shares." Resolution 7

7.2 Ordinary Resolution:-
Mandate for Mr. Lim Han Nge who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company

"**THAT** approval be and is hereby given to Mr. Lim Han Nge, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in compliance with the recommendation of Malaysian Code on Corporate Governance 2012." Resolution 8

7.3 Special Resolution:-
Proposed Amendments to the Articles of Association of the Company

"**THAT** the amendments to the Articles of Association of the Company as set out in the Appendix I annexed to the Annual Report 2016 be and are hereby approved and adopted.

AND THAT the Directors and/or Secretary of the Company be hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments to the Articles of Association of the Company." Resolution 9

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a final single tier dividend of 8% in respect of the financial year ended 30 April 2016, if approved by members of the Company, will be paid on 14 October 2016. The entitlement date for the dividend payment is 30 September 2016.

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 30 September 2016 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
(MIA 24701)
Company Secretary

Penang
Dated: 30 August 2016

Explanatory Notes to Special Business:-

i) Resolution 7 – Proposed Renewal of Share Buy-Back Mandate

The proposed adoption of the Resolution No. 7 is to renew the authority granted by the shareholders of the Company at the Nineteenth ("19th") AGM of the Company held on 11 September 2015. The Proposed Renewal of Share Buy-Back Mandate, if passed, will empower the Directors to buy-back and/or hold up to a maximum of 10% of the Company's issued and paid-up share capital at any point of time, by utilising the funds allocated which shall not exceed the aggregate of the retained profits and share premium account of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of period within which the next AGM is required by law to be held, whichever is earlier.

ii) Resolution 8 – Mandate for Mr. Lim Han Nge who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company

Pursuant to the Board Charter of the Company and Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, it recommends that shareholders' approval must be sought in the event that the Company intends to retain the Independent Non-Executive Director of the Company who has served in that capacity for more than 9 years.

The Nominating Committee has at the annual assessment assessed the independence of Mr. Lim Han Nge who had served the Company more than 9 years. He has remained objective and independent in expressing his view and in participating in deliberation and decision making of the Board and Board Committees. His length of services on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company. In addition, Mr. Lim Han Nge had individually confirmed and declared in writing that he is Independent Director and he has satisfied all the criteria of an Independent Director set out in paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Therefore, the Board has recommended that the approval of the shareholders be sought to re-appoint Mr. Lim Han Nge as Independent Non-Executive Director.

The full details of the Board's justifications to retain Mr. Lim Han Nge as Independent Director is set out in the Statement on Corporate Governance in the Company's Annual Report 2016.

The Resolution 8, if passed, will enable the Company to retain Mr. Lim Han Nge as Independent Non-Executive Director.

iii) Resolution 9 – Proposed Amendments of the Articles of Association of the Company

The Proposed Amendments are to align the Company's Articles of Association with the amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

Notes:-

1. The first agenda of this meeting is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval for the audited financial statements from the shareholders. Hence, this Agenda is not put forward for voting.

2. In respect of deposited securities, only members whose name appears on the Record of Depositors as at 15 September 2016 shall be entitled to attend, speak and vote at the Meeting.

3. A member entitled to attend and vote at the meeting is entitled to appoint two (2) or more proxies to attend and vote in his or her stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

4. A proxy may but does not need to 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. Notwithstanding this, a member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.

5. Where a member of the Company is an exempt authorised nominee as defined under Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 Pulau Pinang not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

7. In line with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Articles of Association of the Company, all the resolutions set out in the notice of the 20th Annual General Meeting of the Company are subjected to voting by poll. The Company will appoint at least one (1) scrutineer to validate the votes cast at the 20th Annual General Meeting of the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

APPENDIX I
SPECIAL RESOLUTION
– PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Articles of Association of the Company are proposed to be amended in the following manner:-

Article No.	Existing Article	Amended Article
2(1)(n)	Exempt Authorised Nominee - an authorised nominee defined under the Depositories Act, which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act.	Exempt Authorised Nominee - an authorised nominee defined under the **Central** Depositories Act, which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act.
11	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:- (1) the consent in writing of the holders of three-fourths of the issued shares of that class; or (2) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:- (1) the consent in writing of the holders of three-fourths of the issued shares of that class; or (2) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum)~~,~~**.** ~~and any holder of shares of the class present in person or by proxy may demand a poll.~~
82	In every notice calling a general meeting, there shall appear with reasonable prominence a statement that a Member is entitled to appoint two (2) or more proxies to attend and vote in his place at a meeting of the Company or at a meeting of any class of members of the Company. There shall be no restriction as to the qualification of the proxy. If a Member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy shall have the same rights as Members to speak at the general meeting.	In every notice calling a general meeting, there shall appear with reasonable prominence a statement that:- **(a)** A Member, **subject to these Articles,** is entitled to appoint **up to** two (2) ~~or more~~ proxies to attend and vote in his place at a meeting of the Company or at a meeting of any class of members of the Company. There shall be no restriction as to the qualification of the proxy. If a Member appoints two (2) ~~or more~~ proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy shall have the same rights as Members to speak at the general meeting. **(b) Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.** **(c) Where a Member is an authorised nominee as defined under Central Depositories Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.**

APPENDIX I
SPECIAL RESOLUTION
– PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY
(cont'd)

Article No.	Existing Article	Amended Article
92	A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the Act, a poll may demanded:- (1) by the Chairman; or (2) by at least five (5) Members having the right to vote at the meeting; or (3) by a Member or Members representing at least one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or (4) by a Member or Members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid on all the shares conferring that right, and a demand by a person as proxy for or attorney of a Member (whether individual, corporate or otherwise) or as duly authorised representative for a corporate Member shall be the same as a demand by the Member.	~~A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the Act, a poll may demanded:-~~ ~~(1) by the Chairman; or~~ ~~(2) by at least five (5) Members having the right to vote at the meeting; or~~ ~~(3) by a Member or Members representing at least one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or~~ ~~(4) by a Member or Members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid on all the shares conferring that right,~~ ~~and a demand by a person as proxy for or attorney of a Member (whether individual, corporate or otherwise) or as duly authorised representative for a corporate Member shall be the same as a demand by the Member.~~ **At any general meeting any resolution set out in the notice of any general meeting or a resolution put to the vote of the meeting or in any notice of resolutions which may properly be moved and is intended to be moved at any general meeting shall be voted by poll.**
94	A poll shall be taken as the Chairman directs (including (without limitation) the use of ballot or voting papers or tickets or forms or by way of electronic polling) and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be the resolution of the meeting at which the poll was demanded. Any vote cast by way of electronic polling shall be deemed to be constitutes a vote by the Members, or their proxies, for all purposes of these Articles.	A poll shall be taken as the Chairman directs (including (without limitation) the use of ballot or voting papers or tickets or forms or by way of electronic polling) and he may appoint scrutineer(s) ~~(who need not be Members)~~ **for the purpose of determining the outcome of the resolution(s) to be decided on poll.** ~~and fix a time and place for declaring the result of the poll.~~ The result of the poll shall be the resolution of the meeting ~~at which the poll was demanded~~. Any vote cast by way of electronic polling shall be deemed to be constitutes a vote by the Members, or their proxies, for all purposes of these Articles.
95	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote he may have.	In the case of an equality of votes, ~~whether on a show of hands or on a poll~~, the Chairman shall not be entitled to a casting vote in addition to any other vote he may have.
96	A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.	~~A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.~~ **(deleted)**
97	No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven (7) clear days' notice shall be given specifying the time and place at which the poll is to be taken. Such notice shall be given (except for the period of notice) as in the case of the meeting at which the poll was demanded or (if such meeting was an adjourned meeting) as in the case of the original meeting.	~~No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven (7) clear days' notice shall be given specifying the time and place at which the poll is to be taken. Such notice shall be given (except for the period of notice) as in the case of the meeting at which the poll was demanded or (if such meeting was an adjourned meeting) as in the case of the original meeting.~~ **(deleted)**

APPENDIX I

SPECIAL RESOLUTION
– PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY
(cont'd)

Article No.	Existing Article	Amended Article
99	Subject to any rights or restrictions attached to any shares, on a resolution to be decided on a show of hands, a holder of ordinary or preference shares who:- (1) being an individual, is present in person or by proxy or attorney; or (2) being a corporation, is present by a duly authorised representative or by proxy or attorney, and entitled to vote shall be entitled to one (1) vote and on a poll every Member shall have one (1) vote for every share of which he is the holder. On a poll votes may be given either personally or by proxy or by attorney or by a duly authorised representative of a corporate Member.	Subject to any rights or restrictions attached to any shares, on a resolution, ~~to be decided on a show of hands,~~ a holder of ordinary or preference shares who:- (1) being an individual, is present in person or by proxy or attorney; or (2) being a corporation, is present by a duly authorised representative or by proxy or attorney, and entitled to ~~vote shall be entitled to one (1) vote and on a poll every Member shall have~~ one (1) vote for every share of which he is the holder. On a poll votes may be given either personally or by proxy or by attorney or by a duly authorised representative of a corporate Member.
101	A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly as the management of his estate, and any such committee or other person may vote by proxy or attorney. Evidence to the Directors' satisfaction of the person claiming to exercise the right to vote shall be deposited at the Office, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised. If this is not done, the right to vote shall not be exercisable.	A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, ~~whether on a show of hands or on a poll,~~ by his committee or by such other person as properly as the management of his estate, and any such committee or other person may vote by proxy or attorney. Evidence to the Directors' satisfaction of the person claiming to exercise the right to vote shall be deposited at the Office, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised. If this is not done, the right to vote shall not be exercisable.
104	A Member may appoint two (2) or more proxies to attend and vote in his place at a meeting of the Company or at a meeting of any class of Members of the Company. There shall be no restriction as to the qualification of the proxy and provisions of Section 149(1)(a), (b) and (c) of the Act shall not, apply to the Company. If a Member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy shall have same rights as Members to speak at the general meeting.	A Member, **subject to these Articles,** may appoint **up to** two (2) ~~or more~~ proxies to attend and vote in his place at a meeting of the Company or at a meeting of any class of Members of the Company. There shall be no restriction as to the qualification of the proxy and provisions of Section 149(1)~~(a),~~ (b) ~~and (c)~~ of the Act shall not, apply to the Company. If a Member appoints two (2) ~~or more~~ proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy shall have same rights as Members to speak at the general meeting.
105	Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies proportion of its shareholding to be represented by each proxy.	**(a)** Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies proportion of its shareholding to be represented by each proxy. **(b) Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.**

APPENDIX I

SPECIAL RESOLUTION
– PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY
(cont'd)

Article No.	Existing Article	Amended Article
106	An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the Directors may approve) and shall be deemed to include the right to demand or join in demanding a poll:- **(FORM OF PROXY)** **NTPM HOLDINGS BERHAD** I/We ____, of ____ being a member / members of the above Company hereby appoint _______ ____ of______________________________or failing him, ______________ ____of ____ or the Chairman as my / our proxy to vote in my / our name(s) and on my / our behalf at the annual / extraordinary general meeting of the Company to be held on ________ and at any adjournment of such meeting thereof. Dated: ______________ (Signature)	An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the Directors may approve) ~~and shall be deemed to include the right to demand or join in demanding a poll~~:~~-~~ **(FORM OF PROXY)** **NTPM HOLDINGS BERHAD** I/We ____, of ____ being a member / members of the above Company hereby appoint _______ ____ of______________________________or failing him, ______________ ____of ____ or the Chairman as my / our proxy to vote in my / our name(s) and on my / our behalf at the annual / extraordinary general meeting of the Company to be held on ________ and at any adjournment of such meeting thereof. Dated: ______________ (Signature)
107	A proxy shall be entitled to vote on a show of hands on any question at any general meeting.	A proxy shall be entitled to vote ~~on a show of hands~~ on any question at any general meeting.
110	An instrument appointing a proxy or (in the case of a power of attorney appointing an attorney) such power of attorney or a notarially certified copy of such power of attorney and any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall:- (1) be deposited at the Office at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote; or (2) in the case of a poll taken more than twenty-four (24) hours after it is demanded be deposited in the manner stated in Article 110(1) after the poll has been demanded and at least twenty-four (24) hours before the time appointed for the taking of the poll; or (3) where the poll is not taken forthwith but is taken not more than twenty-four (24) hours after it was demanded, be delivered at the meeting at which the poll was demanded to the secretary or to any Director or to the Chairman. Such a power of attorney (or a notarially certified copy of such power of attorney) once deposited or delivered in a manner so permitted in relation to a meeting, adjourned meeting or poll shall be deemed deposited or delivered in a manner so permitted in relation to all future meetings, adjourned meetings and polls for which such power of attorney is by its terms valid. An instrument of proxy or power of attorney shall be invalid unless such instrument or power of attorney (or a notarially certified copy of such power of attorney) is deposited or delivered in a manner so permitted.	An instrument appointing a proxy or (in the case of a power of attorney appointing an attorney) such power of attorney or a notarially certified copy of such power of attorney and any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall:~~-~~ ~~(1)~~ be deposited at the Office at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote. ~~;~~ ~~or~~ ~~(2) in the case of a poll taken more than twenty-four (24) hours after it is demanded be deposited in the manner stated in Article 110(1) after the poll has been demanded and at least twenty-four (24) hours before the time appointed for the taking of the poll; or~~ ~~(3) where the poll is not taken forthwith but is taken not more than twenty-four (24) hours after it was demanded, be delivered at the meeting at which the poll was demanded to the secretary or to any Director or to the Chairman.~~ Such a power of attorney (or a notarially certified copy of such power of attorney) once deposited or delivered in a manner so permitted in relation to a meeting, adjourned meeting or poll shall be deemed deposited or delivered in a manner so permitted in relation to all future meetings, adjourned meetings and polls for which such power of attorney is by its terms valid. An instrument of proxy or power of attorney shall be invalid unless such instrument or power of attorney (or a notarially certified copy of such power of attorney) is deposited or delivered in a manner so permitted.

APPENDIX I
SPECIAL RESOLUTION
– PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY
(cont'd)

Article No.	Existing Article	Amended Article
111	A vote given or poll demanded by proxy or attorney or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.	A vote given ~~or poll demanded by proxy or attorney or by the duly authorised representative of a corporation~~ shall be valid notwithstanding the previous determination of the authority of the person voting ~~or demanding a poll~~ unless notice of the determination was received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the vote is given or ~~the poll demanded or~~ (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
182	A copy of every balance sheet and income statement (including every document required by law to be annexed thereto) which is to be laid before a General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of the Auditors' Report, relating thereto and of the Directors' Report shall be issued either in printed form or in compact disc read-only memory ("CD-ROM") form or in such other form of electronic media as may be prescribed by the Exchange from time to time and be sent to every Member of and every holder of debentures (if any) of the Company and to every other person who is entitled to attend and/or receive notices from the Company under the provision of the Act or these Articles, not less than twenty-one (21) days (or such other period as may be prescribed by the Exchange from time to time) before the date of the meeting. The requisite copies of each such document shall at the same time be forwarded to each Stock Exchange upon which the Company is listed. The Directors shall file with the Exchange for public release, a quarterly report which is on a consolidated basis, where applicable, as soon as the figures are available, and in any event not later than two (2) months (or such other period as may be prescribed by the Exchange from time to time) after the end of each quarter of the financial year, comprising of the balance sheet, income statement and explanatory notes.	A copy of every balance sheet and income statement (including every document required by law to be annexed thereto) which is to be laid before a General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of the Auditors' Report, relating thereto and of the Directors' Report shall be issued either in printed form or in ~~compact disc read-only memory ("CD-ROM") form~~ **electronic format** or in such other form of electronic media as may be prescribed by the Exchange from time to time and be sent to every Member of and every holder of debentures (if any) of the Company and to every other person who is entitled to attend and/or receive notices from the Company under the provision of the Act or these Articles, not less than twenty-one (21) days (or such other period as may be prescribed by the Exchange from time to time) before the date of the meeting. ~~The requisite copies of each such document shall at the same time be forwarded to each Stock Exchange upon which the Company is listed.~~ The Directors shall **submit to** ~~file with~~ the Exchange for public release **and the Securities Commission Malaysia,** a quarterly report which is on a consolidated basis, where applicable, as soon as the figures are available, and in any event not later than two (2) months (or such other period as may be prescribed by the Exchange from time to time) after the end of each quarter of the financial year, comprising of the balance sheet, income statement and explanatory notes.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election or re-appointment) at this forthcoming 20th Annual General Meeting.

NTPM HOLDINGS BERHAD

(384662-U)

PROXY FORM

No. of Ordinary Shares held

*I/We ____ NRIC/ Passport No. ______________________________
(Full Name in Capital Letters)

of ____
(Full address in capital letters and telephone number)

being a member/members of **NTPM HOLDINGS BERHAD** ("the Company") hereby appoint the following person(s):-

First Proxy			
Name	**NRIC No.**	**Address**	**No. of shares or % of shares to be presented**
Second Proxy			
Name	**NRIC No.**	**Address**	**No. of shares or % of shares to be presented**

or failing him/her/them, the Chairman of the meeting, as *my/our proxy to vote in *my/our name(s) on *my/our behalf at the Twentieth ("20th") 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, 23 September 2016 at 9.30 a.m. and at any adjournment thereof.

Please indicate with an 'X' in the space provided below how you wish your vote to be casted. In the absence of specific directions, your proxy will vote or abstain from voting at his/her discretion.

AGENDA					
To receive the Audited Financial Statements for the financial year ended 30 April 2016 together with the Reports of the Directors and Auditors thereon.					
RESOLUTIONS		**First Proxy**		**Second Proxy**	
		For	**Against**	**For**	**Against**
1.	To approve the declaration of a final single tier dividend of 8% for the financial year ended 30 April 2016.				
2.	To re-elect Mr. Lee Chong Choon as Director of the Company.				
3.	To re-appoint Dato' Teoh Boon Beng @ Teoh Eng Kuan as Director of the Company.				
4.	To re-appoint Mr. Lee See Jin as Director of the Company.				
5.	To approve the payment of Directors' fees of RM360,000 for the financial year ended 30 April 2016.				
6.	To re-appoint Messrs. Ernst & Young as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.				
7.	Ordinary Resolution – Proposed Renewal of Share Buy-Back Mandate.				
8.	Ordinary Resolution – Mandate for Mr. Lim Han Nge to continue to act as an Independent Non-Executive Director of the Company.				
9.	Special Resolution – Proposed Amendments to the Articles of Association of the Company.				

* strike out whichever not applicable.

_______________________________ Signed this ________ day of __________________, 2016.
Signature(s) / Common Seal of Shareholder(s)

Notes:

1. The first agenda of this meeting is meant for discussion only, as the provision of Section 169 (1) of the Companies Act, 1965 does not require a formal approval for the audited financial statements from the shareholders. Hence, this Agenda is not put forward for voting.
2. In respect of deposited securities, only members whose name appears on the Record of Depositors as at 15 September 2016 shall be entitled to attend, speak and vote at the Meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint two (2) or more proxies to attend and vote in his or her stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. A proxy may but does not need to 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. Notwithstanding this, a member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
5. Where a member of the Company is an exempt authorised nominee as defined under Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 Pulau Pinang not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
7. Any alteration should be initialed.

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Stamp

Company Secretary
NTPM Holdings Berhad (384662-U)

Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar
10200 Pulau Pinang, Malaysia

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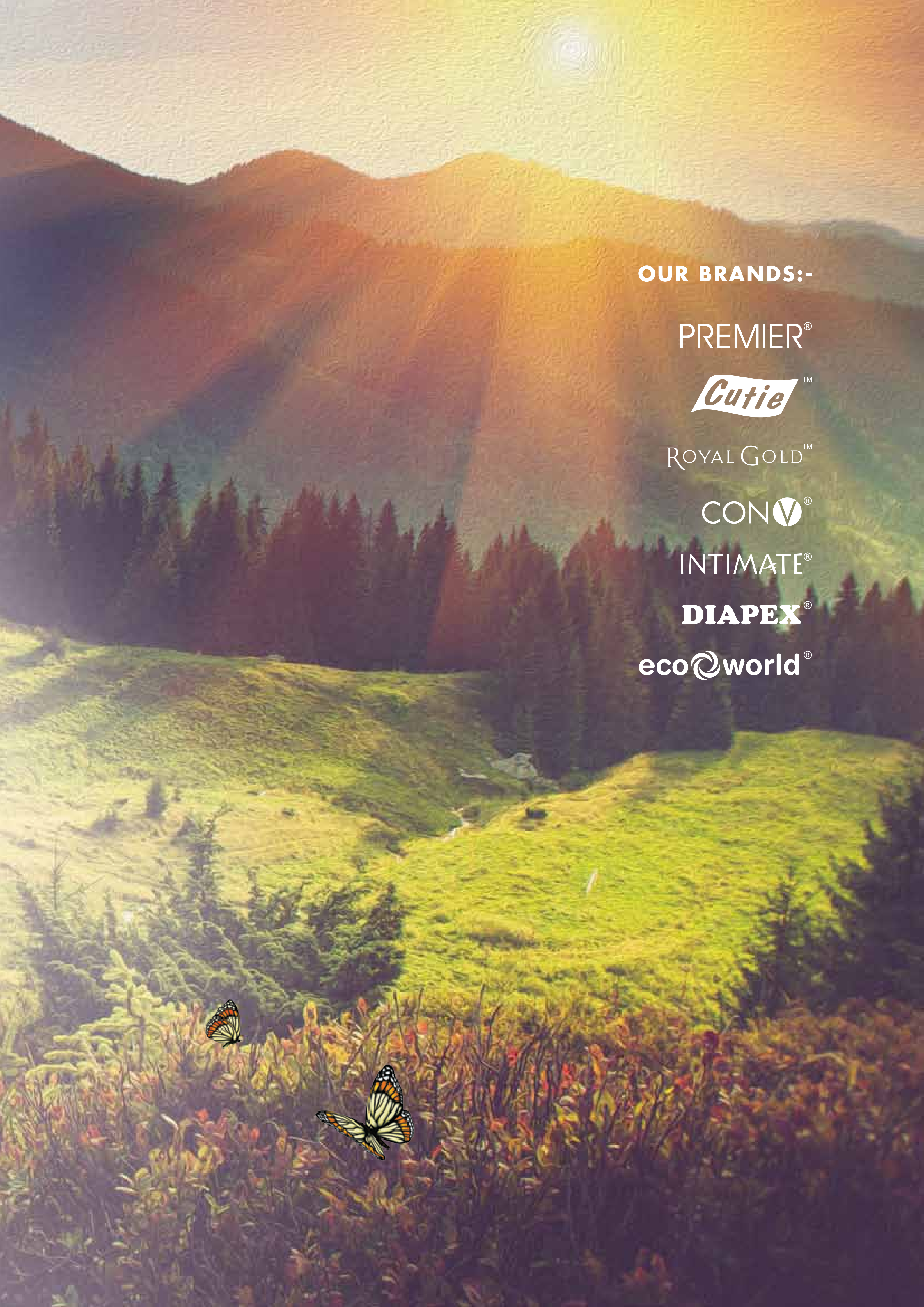
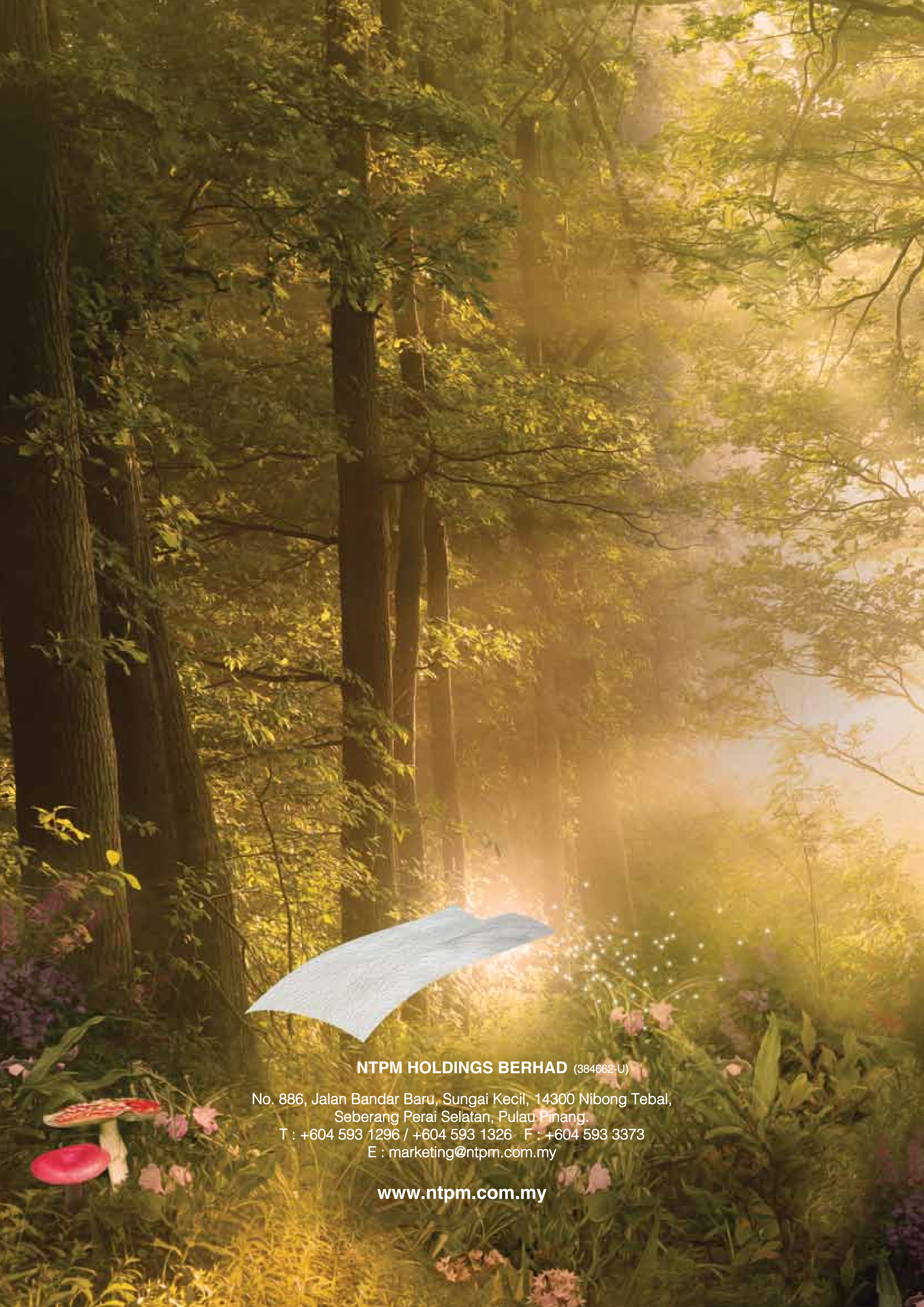

OUR BRANDS:-
PREMIER®
Cutie™
ROYAL GOLD™
CONV®
INTIMATE®
DIAPEX®
ecoworld®



NTPM HOLDINGS BERHAD (384662-U)

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