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

A commitment towards a *sustainable future*

ANNUAL REPORT 2017

CONTENT

A commitment towards a sustainable future

A forest forms the backdrop on this cover. A single dewdrop at the foreground captures the delicate balance between man and nature, simultaneously doubling as a canvas to showcase the Group's line of products. This also becomes a representation of how the Group is committed to preserve this delicate balance in all its activities.

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 No : 04-593 1296 / 04-593 1326
Fax No : 04-593 3373
Email : marketing@ntpm.com.my
Website : www.ntpm.com.my

COMPANY SECRETIES

Thum Sook Fun (MIA 24701)
Low Seow Wei (MAICSA 7053500)

REGISTERED OFFICE

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

AUDITORS

Ernst & Young
Chartered Accountants
21st Floor, MWE Plaza,
No. 8, Lebuh Farquhar,
10200 Georgetown, 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 Georgetown, Pulau Pinang.
Tel No : 04-263 1966
Fax No : 04-262 8544

STOCK EXCHANGE LISTING

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

MANAGING DIRECTOR'S REVIEW AND **MANAGEMENT DISCUSSION & ANALYSIS**

REVIEW OF OPERATIONS

The financial year ended 30 April 2017 ("FY17") was a challenging year for NTPM Holdings Berhad ("NTPM") and its subsidiaries ("the Group"), primarily due to the unfavourable foreign exchange rate movements against the Ringgit Malaysia ("RM"), which resulted in the increased costs of imported raw materials. In addition, utility and labour costs also increased.

Despite the challenging operating environment, the Group was able to maintain its level of organic revenue growth and continued to be profitable. The Group's revenue increased by 7.2%, from RM601.7 million in the prior financial year ("FY16") to RM645.3 million in FY17. However, the profit before tax ("PBT") decreased by 7.4% from RM78.2 million in FY16 to RM72.4 million in FY17.

SEGMENTAL PERFORMANCE AND OPERATION

The Group is organised into the following operating segments:
- Tissue Paper Segment
- Personal Care Segment

Tissue Paper Segment

The Group has 3 tissue manufacturing facilities, which are located in the states of Penang and Pahang, Malaysia and Ho Chi Minh, Vietnam. In addition, it has an established presence in the ASEAN region, with subsidiaries which are involved in the marketing and distribution of products in Malaysia, Singapore, Thailand and Vietnam.

This segment continued to grow organically during FY17. Revenue increased from RM419.1 million in FY16 to RM445.4 million in FY17. However, the segment results (excluding interest income and finance costs) for this segment decreased from RM67.4 million in FY16 to RM56.9 million in FY17 due to the increase in the cost of raw material, utilities and labour cost.

The Group's current manufacturing capacity utilisation rate is approaching 80%. In order to support the anticipated growing demand, the Group plans to increase its manufacturing capacity by adding new tissue paper machines in its manufacturing facilities in Malaysia and Vietnam. This includes the planned addition of 2 tissue paper machines with total annual production capacity of 40,000mt in Vietnam and 1 tissue paper machine with annual production capacity of 20,000mt in Penang. These new machines are expected to be commissioned for production during the financial year ending 30 April 2018.

Personal Care Segment

90% of revenue for this segment was generated from the local Malaysian market. Despite the challenging and highly competitive local market conditions, the Group succeeded in generating higher revenue and PBT. Revenue increased by 9.4% from RM182.7 million in FY16 to RM199.9 million in FY17 while the segment results improved from RM16.1 million in FY16 to RM20.1 million.

The positive results achieved were driven by two significant factors:
- In-house production of semi-finished raw materials for the cotton range of products in FY17, enabling the Group to reduce the overall manufacturing cost.
- Increase in sales of baby diapers

MANAGING DIRECTOR'S REVIEW AND **MANAGEMENT DISCUSSION & ANALYSIS** (CONT'D)

With the encouraging performance achieved for the personal care segment in Malaysia, going forward, the Group aims to export more of its personal care products to countries such as Thailand, West Asia, Australia, New Zealand and US.

STRATEGY FOR SUSTAINABLE PROFITABLE GROWTH

The Group's ability established revenue and profit trend is not only due to its manufacturing capabilities, but also its capabilities in the marketing and distribution of its products. The Group recognises the importance of increasing its competitiveness and market presence, and will continue to focus on expanding its sales and support team in order to grow the volume of its business, both within and outside of Malaysia.

DIVIDEND

The Board of Directors is pleased to recommend a single tier final dividend of 0.80 sen per ordinary share for shareholders' approval at the coming Annual General Meeting in September 2017. This reflects the Group's commitment in maintaining a consistent trend of dividend distribution to all shareholders of NTPM.

OUTLOOK

The Group maintains an optimistic outlook for FY2018 even though the market conditions are expected to be more challenging. With well-established product offerings, supported by its comprehensive distribution and marketing channels, the Group foresees that it would continue to grow organically in its existing markets. The key focus in FY2018 is to increase production of tissue paper in order to fulfill the increasing demand in South East Asia and other export markets.

ACKNOWLEDGEMENTS

On behalf of the Board of directors and the management of NTPM Group, I would like to thank our shareholders, Board of Directors and the management and most important of all, over 2,800 employees of the Group for their dedication, passion and contribution to the success of the Group.

Thank you.

Lee See Jin
Managing Director

Date: 31 July 2017

董事经理的营运检讨以及管理层讨论与分析

业务回顾

截至2017年4月30日的财政年度里（“FY2017”），对于启顺造纸业有限公司（以下简称“NTPM”）及其附属公司（总称“本集团”）而言是充满挑战的一年,尤其马币(“RM”)对外币的不利汇率波动导致进口原材料的生产成本上涨。此外，能源和劳力的成本也有所增长。

尽管经营环境充满挑战，本集团的收入的依然稳步增长,并持续盈利。相比去年（“FY2016“）的6亿170万令吉营业收入，本集团今年的营业收入提高约7.2%，高达6亿4530万令吉。然而，2017年的税前盈利（”PBT”），比去年7820万令吉的税前盈利减低7.4%至7240万令吉。

分部营运表现

本集团的业务可分为以下两大类:
- 纸业部门
- 个人护理部门

纸业部门

本集团拥有三家纸业制造工厂，分别位于马来西亚槟城和彭亨及越南胡志明市。此外，本集团在东盟地区已建立起拥有健全销售网络的附属公司。这包括马来西亚、新加坡、泰国及越南。

在于2017财政年，纸业部门的营业额节节上升。该部门收入从去年的4亿1910万令吉涨至今年的4亿4540万令吉。然而，原材料成本，电供费用及劳动力成本增加，导致纸业部门的业绩（不包括利息收入和融资成本）欠佳。业绩从2016财政年的6,740万令吉下跌至2017财政年的5,690万令吉。

由于目前的机器产能使用率已接近80%,本集团计划扩大马来西亚和越南这两个据点的生产线，以应付逐渐上升的市场需求。本集团打算在越南增加两台纸巾制造机，以提升其年产量4万公吨；同时也会在马来西亚槟城增加一台纸巾制造机，以提升其年产量2万公吨。新生产线预计在2018年4月30日结束的财政年度才开始投产。

个人护理部门

本集团个人护理部90%的收入源自于马来西亚市场。尽管市场严峻及极具竞争力，本集团成功提高营业额和税前盈利。相比去年（FY2016）1亿8270万令吉的收入，今年2017财政年个人护理部门的收入增长约9.4%至1亿9990万令吉。该部门的业绩从去年的1610万令吉增至今年的2010万令吉。

该部门业绩增长的主要原因是:
- 自制棉质原料半成品，减低制造成本
- 婴儿纸尿布的销售量提高

随着大马个人护理部门的表现卓越，本集团计划拓展更多的市场，如泰国、西亚区、澳洲、纽西兰及美国。

保持盈利增长的策略

本集团稳健的营业收入和盈利，不仅取决于其制造能力，亦包括其在产品销售和分销方面的能力。本集团意识于其竞争能力和市场营销的重要性,固其将继续专注于扩展其销售和后勤团队，以增加其在马来西亚国内外的业务量。

董事经理的营运检讨以及管理层讨论与分析 (CONT'D)

股息

今年，本公司依旧维持一贯的派息作风。董事局建议派发每股0.80仙普通股单层末期股息，并将在2017年9月21日举行的年度股东大会上寻求股东批准。

前景和展望

虽然市场竞争激烈，NTPM对FY2018财政年展望依然保持乐观的态度。凭藉着我们卓越的营销和分销竞争能力以及强大的生产作业能力，我们有望在现有市场稳健成长。在这FY2018财政年里我们将专注于提高纸巾的产量，以满足东南亚与其它国家市场对纸巾的殷切需求。

鸣谢

我谨此代表NTPM集团董事局和管理层，感谢所有股东、董事、行政人员以及超过2800位NTPM集团的员工。员工们所展现的毅力、热忱和无私奉献精神，使NTPM不断取得成功。

谢谢。

李斯仁
董事经理
日期: 2017年7月31日

BOARD OF DIRECTORS' **PROFILE**

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

Dato' Teoh Boon Beng @ Teoh Eng Kuan, Malaysian, male, aged 84, 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 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. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017. He had attended two out of the four Board of Directors' Meetings held in the financial year ended 30 April 2017.

Lee See Jin
Managing Director

Mr. Lee See Jin, Malaysian, male, aged 78, was appointed to the Board of Directors of NTHB on 20 October 1996. He obtained the Higher School Certificate in 1960. He is the Managing Director of NTHB and a Director of all subsidiaries of NTHB. He is a founder of the Group and has been in the paper industry for more than 40 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. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017. He attended all four Board of Directors' Meetings held in the financial year ended 30 April 2017.

Lee Chong Choon
Executive Director

Mr. Lee Chong Choon, Malaysian, male, aged 52, 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. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017. He attended all four Board of Directors' Meetings held in the financial year ended 30 April 2017.

BOARD OF DIRECTORS' **PROFILE** (CONT'D)

Dr. Teoh Teik Toe

Non-Independent Non-Executive Director

Dr. Teoh Teik Toe, Singaporean, male, aged 49, 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 also a 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 did his post-doctorate in Singapore University of Technology and Design. He 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 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 (UK). He is also a member of Mensa. His first job was a Software Engineer in Hewlett Packard, Singapore. Since then he was doing research and development in Artificial Intelligence and lecturing in several universities. He is currently the Associate Director in Singapore University of Technology and Design.

He is a nephew of Dato' Teoh Boon Beng @ Teoh Eng Kuan, the Non-Independent Non-Executive Chairman and a major shareholder of the Company. He has no conflict of interest with the Group. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017. He attended all the four Board of Directors' Meetings held in the financial year ended 30 April 2017.

Chang Kong Foo

Independent Non-Executive Director

Mr. Chang Kong Foo, Malaysian, male, aged 64, was appointed as an Independent Non-Executive Director of NTHB on 19 September 2008. He is the Chairman of the Audit Committee and also 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 2 years, was with a Big Four accounting firm for a year and a manager with an accounting firm in Butterworth for another 2 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 is a committee member of the Chartered Tax Institute of Malaysia, Penang branch.

He has no family relationship with any other Director and/or major shareholder of the Company, nor any conflict of interest with the Group. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017. He attended all four Board of Directors' Meetings held in the financial year ended 30 April 2017.

BOARD OF DIRECTORS' **PROFILE** (CONT'D)

Lim Han Nge

Senior Independent Non-Executive Director

Mr. Lim Han Nge, Malaysian, male, aged 62, 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 also a member of the Audit Committee of the Company. He graduated from Coventry University, United Kingdom with a Bachelor of Arts (Honours) in Business Law. Thereafter, he qualified as a barrister (Lincoln's Inn, United Kingdom) in 1978 and was called to the Malaysian Bar in November 1979. He is a practicing advocate & solicitor and is currently a partner in the legal firm of Messrs. Jin-Nge & Co, Alor Setar. He is a Director of several private limited companies and is a legal adviser to several non-governmental organisations in Kedah.

He has no family relationship with any other Director and/or major shareholder of the Company, nor any conflict of interest with the Group. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017. He attended all four Board of Directors' Meetings held in the financial year ended 30 April 2017.

Teoh Teik Lin

Alternate Director, Non-Independent Non-Executive Director

Mr. Teoh Teik Lin, Malaysian, male, aged 57, was appointed as 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, USA. He began his career with a multi-national company and brings him with more than 20 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. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017. He attended all four Board of Directors' Meetings held in the financial year ended 30 April 2017.

KEY SENIOR MANAGEMENT **TEAM**

LEE CHONG CHAT

Lee Chong Chat, Malaysian, male, aged 54, was appointed as the Chief Operating Officer (Engineering) of NTHB on 1 July 2004. He is the 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 NTHB 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. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

LEE CHONG LOO

Lee Chong Loo, Malaysian, male, aged 52, was appointed as the Chief Operating Officer (Operation) of NTHB on 1 March 2011. He is the 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. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

LEE HOOI FUNG

Lee Hooi Fung, Malaysian, female, aged 51, 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 NTHB 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 NTHB, 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. She has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

TAN CHEE SENG

Tan Chee Seng, Malaysian, male, aged 52, 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.

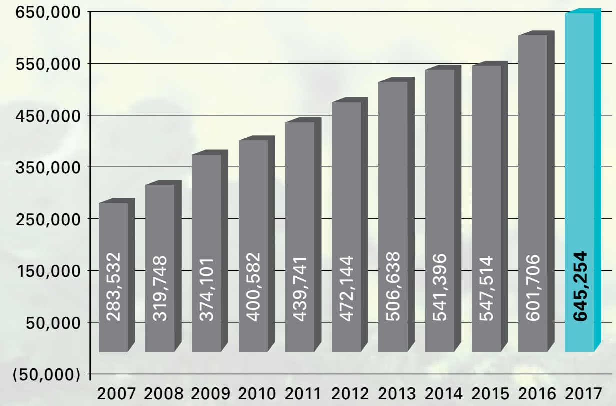
He has no family relationship with any other Director and/or major shareholder of the Company, nor any conflict of interest with the Group. He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

GROUP FINANCIAL HIGHLIGHTS

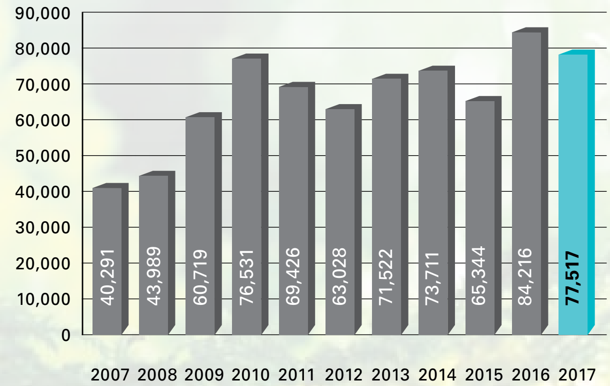
TEN-YEAR FINANCIAL SUMMARY

	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	2017 RM'000
Revenue *	283,532	319,748	374,101	400,582	439,741	472,144	506,638	541,396	547,514	601,706	**645,254**
Operating Profit	40,291	43,989	60,719	76,531	69,426	63,028	71,522	73,711	65,344	84,216	**77,517**
Profit Before Tax ("PBT")	38,112	41,618	58,677	75,445	67,126	59,540	67,363	69,880	59,318	78,189	**72,378**
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	**49,868**
Shareholders' Fund / Net Assets	171,441	183,078	203,251	228,457	248,744	282,625	310,387	340,417	360,325	410,911	**446,101**
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	**1,123,133**
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	**0.40**
Net Dividends	21,119	25,272	29,428	32,572	32,572	16,286	32,382	32,572	8,143	17,970	**26,955**
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	**2.40**
Earnings Per Share (Sen) @	2.87	3.04	4.12	5.28	4.64	3.99	4.39	4.82	3.80	5.13	**4.44**
Dividends Payout Ratio (%)	65.61	74.09	63.67	54.91	62.56	36.37	65.91	60.44	19.10	31.16	**54.05**

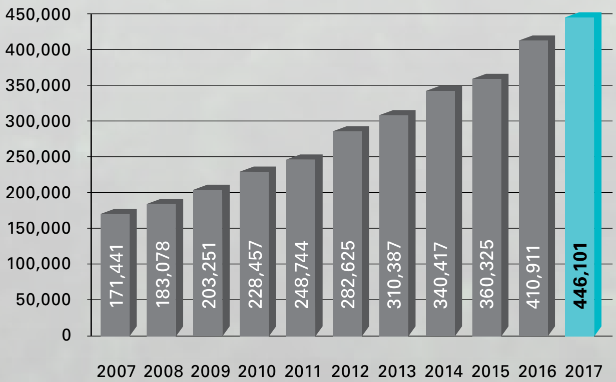
* Comparatives amount in the previous years have been restated to conform with current year's presentation
@ Computed based on enlarged number of ordinary shares in issue after bonus issue exercise which was completed on 7 April 2009



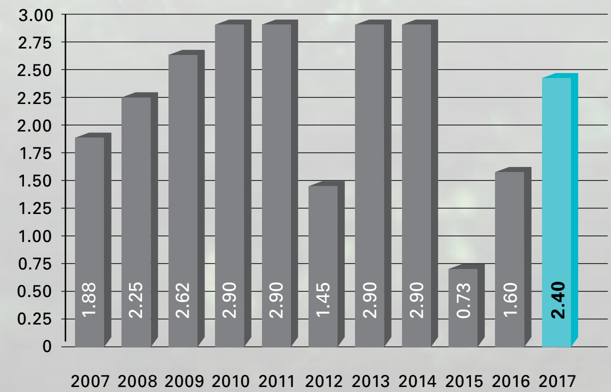
REVENUE
(RM'000)



OPERATING PROFIT
(RM'000)



SHAREHOLDERS' FUND



NET DIVIDENDS PER SHARE
(SEN)

GROUP **STRUCTURE AND ACTIVITIES**
AS AT 30 APRIL 2017

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.

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.

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 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
OUR BRANDS:-
PREMIER®
Cutie®
ROYAL GOLD®
CONV®
INTIMATE®
DIAPEX®
ecoworld®

CORPORATE SOCIAL RESPONSIBILITY ("CSR") STATEMENT

As part of our efforts to ensure the Group's sustainable growth, the Board and Management are committed to carry out of responsible business practices that have positive impact on all our stakeholders which 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 society. 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 primary (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 by 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 measures 15,000 sq meter 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.

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. Nibong Tebal Paper Mill Sdn Bhd ("NTPM") has been certified with validity period from 23 May 2014 to 22 May 2019. Since then NTPM has expanded its fresh and recycled product range to Jumbo Roll (MG Paper), Toilet Roll, Jumbo Roll Tissue, Facial Tissue, Serviette, Kitchen Towel and Towel to conform with the requirements of the FSC Chain of Custody Certification. Our tissue plants in Vietnam and Bentong, Malaysia are working towards FSC certification and we expect this to be materialised by end of the year 2017.

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

As we face energy related increase in cost – the increase in 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, we take the initiative to explore renewable energy such as solar energy. We are currently installing 500KWP Grid Connected Photovoltaic (GCPV) for own consumption. This project is expected to start operating before end of year 2017.

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, the EMS working committee has managed to complete seven Energy Management Program ("EMP") mainly 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's 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 so its emissions or discharge comply with domestic reporting, international accreditations and government regulations.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") STATEMENT (CONT'D)

FROM WASTE TO WORTH

Seeking new ways to utilise 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 substitute or complement 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. This new product has been launched in the market in the financial year ended 30 April 2017 ("FY2017").

Disposal of waste going to landfill largely comprise of 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. Our exploration to venture into arch file has completed and this new product was launched in the market in FY2017. However, this arch file production only consumed a small portion of the above waste. For this reason and to continue with our journey to achieve "Zero Waste to Landfill", we have recently further utilised this waste to make core board for own use. We expect this project to generate contribution in the financial year ending 30 April 2018.

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 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 the severity and, the frequency. This is a form of continuous improvement towards our consistent effort to prevent and reduce such risk from reoccurring.

HELPING THROUGH OUR BRANDS

Now in its eleventh year, the Intimate "Sembang-Sembang Intim" is a highly regarded nation-wide hygiene and health related school program dedicated to prepare young students embrace womanhood positively especially on the changes that take place during puberty. The 45 minutes to 1 hour programme 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. In previous year, we visited 156 primary schools and 101 secondary schools from 2 August 2016 to 27 October 2016, reaching 34,600 students in the process. On top of that, we continued our "Sembang-Sembang Intim School" Sampling programme by giving away free samples of Intimate sanitary pads to 10,371 students in various secondary schools throughout Malaysia.

INTERNSHIP PROGRAMME

NTPM's internship programme extended to the Company employees' children by enabling then to receive on-the-job training at diploma and post graduate levels in both technical and non-technical disciplines. Upon completion of the programme, exceptional and deserving candidates were offered job opportunity within the Group. For FY2017, a total of 37 students have benefited from our internship programme.

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 Board is also mindful on the new Malaysian Code on Corporate Governance released by Securities Commission Malaysia on 26 April 2017 ("MCCG 2017"), a set of best practices to strengthen corporate culture anchored on accountability and transparency.

The new MCCG takes on a new approach to promote greater internalisation of corporate governance culture and the MCCG 2017 has 3 Principles supported by 36 practices and 12 Intended Outcomes. The first set of companies required to report on conformance with the MCCG in their annual report are companies with financial years ending 31 December 2017.

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 2017:-

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 ("Mr. Lim"), being the Senior Independent Non-Executive Director has been serving the Company in that capacity since 2003 for a tenure of more than 9 years • Mr. Chang Kong Foo ("Mr. Chang"), an Independent Non-Executive Director has been servicing the Company in that capacity since 2008 will be approaching 9 years' tenure in office by 18 September 2017 • The Nominating Committee has assessed the independence of Mr. Lim and Mr. Chang and recommended them to continue to act as an Independent Non-Executive Directors of the Company based on the justification that Mr. Lim and Mr. Chang have demonstrated conduct and behavior that is essential indicators of independence, and they are 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 and Mr. Chang as Independent Directors of the Company

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

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 of and 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.

There is a clear division of responsibility between the Non-Executive Chairman and Executive Director 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 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 conducting 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.

<u>Reviewing and adopting a strategic plan for the Company</u>

An effective Board is 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.

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

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 the 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, after due detailed deliberations, the Board 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 the 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.

<u>Overseeing the conduct of the Company's business</u>

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.

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;

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)

(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.

<u>Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures</u>

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 the 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 Statement of Risk Management and Internal Control in this Annual Report.

<u>Succession planning</u>

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 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.

<u>Overseeing the development and implementation of a shareholder communications policy for the Company</u>

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.

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.

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.

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)

<u>Reviewing the adequacy and the integrity of the management information and internal controls system of the Company</u>

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 Statement of Risk Management and Internal Control 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

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

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's 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.

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 the qualified and competent Company Secretaries in carrying out its roles and responsibilities.

Briefed profile of the existing Company Secretaries are as follows:-

Ms. Thum Sook Fun, FCIS, C.A. (M), FCCA
Ms. Thum is a Chartered Secretary by profession. Ms. Thum has been elected as a Fellow member of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ("MAICSA") and also a Fellow member of the Association of Chartered Certified Accountants ("ACCA"). She is also a member of Malaysian Institute of Accountants. She has more than twenty years of professional experience in the field of corporate secretarial with working knowledge of many industries. Ms. Thum is also the named company secretary for a number of public listed companies and private limited companies.

Ms. Thum has been appointed as Company Secretary of the Company with effect from 28 September 2000.

Ms. Low Seow Wei, ACIS
Ms. Low is a Chartered Secretary by profession. Ms. Low has been elected as an Associate member of MAICSA. She has more than fourteen years' experience in the Corporate Secretarial practice. Ms. Low is also the named company secretary for a number of public listed companies and private limited companies.

Ms. Low has been appointed as Company Secretary of the Company with effect from 29 June 2017.

The Board is satisfied with the performance and support rendered by the Company Secretaries 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 Secretaries, who are considered capable of carrying out the duties to which the post entails.

The Company Secretaries 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1.6 Ensure Board is supported by suitably qualified and competent Company Secretary (cont'd)

The Company Secretaries 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 Secretaries 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 Secretaries 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

The Nominating Committee met on 23 June 2017 with full attendance by its members and the key activities carried by Nominating Committee are summarised as follows:-

(i) The Nominating Committee conducted the annual assessment of the performance of the Board as a whole for the financial year ended 30 April 2017 and 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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)

The Nominating Committee met on 23 June 2017 with full attendance by its members and the key activities carried by Nominating Committee are summarised as follows:- (cont'd)

(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 they bring to the Board.

Re-election of Directors of the Company is in accordance with the Company's Articles of Association ("Constitution"). In accordance with Articles 133 of the Company's Articles of Association ("Constitution"), 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.

(iv) The Nominating Committee had duly considered and recommended the re-appointment of the Directors who are retiring based on their existing terms of office duly approved at the forthcoming AGM pursuant to Section 129 of the Companies Act, 1965 ("which was then in force").

(v) The Nominating Committee had also reviewed and recommended to the Board to retain the Independent Directors who have served as an Independent Directors of the Company for a cumulative terms of more than or approaching 9 years to continue to act as Independent Directors of the Company.

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 can 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 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.

The Nominating Committee conducted an annual assessment of its Directors and the effectiveness of the Board of Directors as a whole for financial year 2017. 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.

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 above mentioned 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 June 2017 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 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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 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;

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

(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 ("Constitution"), 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.

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 2017, the Board had performed its duty to assess annually the remuneration package of its Executive Directors and Senior Management.

All Non-Executive Directors are paid fixed annual fees which are determined by the Board as a whole and subject to the approval from the shareholders annually. In addition to the fixed annual fees, all Non-Executive Directors are paid meeting allowance for attending meetings. Under Section 230(1)(b) of the Companies Act, 2016, this will constitute a form of benefits payable to the Directors and requires prior approval of the shareholders at the AGM.

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 (cont'd)

Pursuant to Section 289 of the Companies Act, 2016, the Company may indemnify or directly or indirectly effect insurance for a Director of the Company in respect of any cost incurred by him for any proceeding but not the liabilities for any act or commission in his capacity as a Director. The Director of the Company are covered under Directors and Officers ("D&O") Liabilities Insurance in respect of liabilities arising from acts committed in their capacity as Directors of the Group. 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 2017 are analysed as follows:-

	Fees RM	Salaries & Other emolument RM	Bonus RM	Benefit-in Kind RM	Allowance RM	Total RM
Company						
Executive Directors	120,000	3,186,090	2,840,190	21,471	Nil	6,167,751
Non-Executive Directors	240,000	Nil	Nil	Nil	9,500	249,500
Group						
Executive Directors	241,184	3,742,264	3,077,939	101,638	Nil	7,163,025
Non-Executive Directors	240,000	Nil	Nil	Nil	9,500	249,500

The number of Directors in the office and their total remuneration from the Group for financial year 2017 categorized into various bands as follows:-

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 independent.

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 and if they have been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2017. 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.

However, the Nominating Committee and the Board have assessed the Independence of Mr. Lim and Mr. Chang, who have served on the Board for more than nine years and is satisfied with the skills, contribution and independent judgment that Mr. Lim and Mr. Chang brings to the Board and was of the view that Mr. Lim and Mr. Chang remains objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. The length of their 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 and Mr. Chang as an Independent Director of the Company.

The recommendation is based on Mr. Lim's 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.

Mr. Lim's 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.

The recommendation by the Nominating Committee to retain Mr. Chang to continue to serve as an Independent Director of the Company is based on his dedicated responsibilities as the Independent Non-Executive Director and Chairman of the Audit Committee. His expertise in accounting and taxation contribute significant guidance to the Audit Committee and the Board in relevant matters.

Mr. Chang always remained objective and independent in expressing his views 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 interest of the Company.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 3 – REINFORCE INDEPENDENCE (CONT'D)

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.

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 6 to 8 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 2017 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	2/4	50
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	4/4	100

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 Directors' resolution in writing. The resolutions passed by way of Directors' resolution in writing 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.

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 4 – FOSTER COMMITMENT (CONT'D)

4.2 Board should ensure members have access to appropriate continuing education programme (cont'd)

During the financial year ended 30 April 2017, the training programmes and seminars attended by the Directors are as follows:-

Title of Seminar / Workshops / Courses	Mode of Training	No. of Hours Spent
Lee See Jin		
• Fraud Risk Management	Seminar	4 hours
Lee Chong Choon		
• Fraud Risk Management	Seminar	4 hours
Lim Han Nge		
• Fraud Risk Management	Seminar	4 hours
• ACI Breakfast Rountable 2017	Workshop	4 hours
• Launch of The AGM Guide & CG Breakfastseries: "How To Leverage on AGMs for Better Engagement with Shareholders"	Conference	3 hours
Dr. Teoh Teik Toe		
• Certified Ethical Hacker	Course	5 days
Chang Kong Foo		
• Fraud Risk Management	Seminar	4 hours
• Sustainability Reporting	Seminar	3 hours
• Related Party Transactions	Seminar	3 hours
Teoh Teik Lin		
• Companies Act 2016 - Impact And Application for SMI Business Seminar	Seminar	4.5 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.

The Directors were updated by the Company Secretaries during its Meeting on the key features of the MCCG 2017 and the amendments to the Companies Act, 2016. .

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 35 to 38 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

5.1 Audit Committee should ensure financial statements comply with applicable financial reporting standards (cont'd)

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 44 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 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 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 2017 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 calibre, quality/ processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees and audit communications 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

5.2 Audit Committee should have policies and procedures to assess suitability and independence of external auditors (cont'd)

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 2017 were RM123,819 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 2017, 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

6.1 Board should establish a sound framework to manage risks (cont'd)

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.

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.

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)

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 2017 is approximately RM383,314.

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.

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

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.

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 2017, 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 31 July2017.

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 2017 ("FY2017").

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 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 AC 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 interpret financial statements to effectively discharge their duties and responsibilities as members of the AC. Mr. Chang Kong Foo and Dr. Teoh Teik Toe are both members of MIA while Mr. Lim Han Nge is a lawyer by profession.

AUTHORITY AND DUTIES OF THE AUDIT COMMITTEE

The AC is governed by its terms of reference which is available on the Company's website at www.ntpm.com.my.

AUDIT COMMITTEE MEETING

During the FY2017, 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. Other regular attendees at the AC meetings include the Executive Directors, Senior management, and representatives from the Internal or External Auditors, all to assist the AC's discussions and consideration of reports, and to answer questions in relation to internal or external audit reviews and improvement recommendations. Key Finance Personnel 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.

AUDIT COMMITTEE REPORT (CONT'D)

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

The AC assists the Board in fulfilling its overseeing responsibilities. The Committee's overall responsibilities encompass the processes of audit, corporate accounting, financial reporting, system of internal control, risk management regulatory and legal compliance and risk management practices and procedure of the Group.

The activities of the AC for FY2017 are the 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 Key Finance Personnel 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 Group's financial performance before recommending them to the Board for approval; and
- The AC reviewed and deliberated on audit issues raised by 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 2017 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;
- 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.

AUDIT COMMITTEE REPORT (CONT'D)

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 FY2017; 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.

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 FY2017;
- On 10 March 2017, the AC reviewed the External Auditors' 2017 audit plan outlining their scope of work and proposed fees for the statutory audit, together with assurance-related fees for review of the Statement on Risk Management and Internal Control. The AC recommended the proposed audit fees for the Board's approval;
- 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 2017. 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 2017.

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, Managing Director's Review and Management Discussion Analysis and Statement on Risk Management and Internal Control and recommended their adoption by the Board for inclusion in this Annual Report.

During FY2017, 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.

AUDIT COMMITTEE REPORT (CONT'D)

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 FY2017, the work of audits and findings conducted by the Group's internal audit were as follows:-

- Performed EMS (Environmental Management System) 14001 and Health, Safety Management audits and QMS (Quality Management System);

- Reviewed and monitored the related party transactions to ascertain that the current procedures practiced by Management is in line 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;

- 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) Fixed assets Management
  iii) Production Management
  iv) Tools and Workstation Management
  v) Safety and Health Management
  vi) Revenue Cycle
  vii) Information Technology Management
  viii) Petty Cash Management

- 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 25 Internal Audit reports were issued in year 2017 including 1 ad-hoc audits 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 FY2017 was RM0.38 million.

This Statement is made in accordance with the resolution of the Board of Directors dated 31 July 2017.

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 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 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 the systems of internal control, the systems only able to manage rather than to eliminate all the possible risks. 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 weight 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.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL** (CONT'D)

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 11 are classified as either high or significant.

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, working 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 sustainability in meeting the Group's business objectives and operations 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.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL** (CONT'D)

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; and
- 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 disciplines 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 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 24 internal audits across various corporate functions, warehouse and business units. In addition, 1 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.

During the financial year under review, the Internal Auditors carried out reviews on the following core areas of the business units to assess the adequacy and effectiveness of the internal control system, compliance with regulations and the Group's policies and procedures by each of the business units:

- Inventory Management
- Fixed assets Management
- Production Management
- Tools and Workstation Management
- Safety and Health Management
- Revenue Cycle
- Information Technology Management
- Petty Cash Management

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 with both Internal and External Auditors to discuss findings and adopt recommendations proposed by both parties. 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 2017 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 2017 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 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.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL** (CONT'D)

REVIEW OF THIS STATEMENT (CONT'D)

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 2017 and reported to the board that nothing has come to their attention that caused them to believe that the statement, in all material respect, 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 2017 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 31 July 2017 based on the recommendation of the AC.

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

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

1. UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate exercise during the financial year 2017.

2. AUDIT AND NON-AUDIT FEES

Audit fees paid to external auditors by the Company and by the Group for the financial year ended 30 April 2017 amounted to RM56,000 and RM297,688 respectively.

Non-audit fees paid to external auditors by the Company and by the Group for the financial year ended 30 April 2017 amounted to RM15,900 and RM123,819 respectively.

3. 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 2016 to prepare financial statements 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 statement of the Group for the financial year ended 30 April 2017, the Group has used appropriate accounting policies which are consistently applied and supported by reasonable prudent judgment and estimate 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 is made in accordance with the resolution of the Board of Directors on 24 July 2017.

FINANCIAL STATEMENTS

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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 2017.

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.

Other information relating to the subsidiaries are disclosed in Note 14 to the financial statements.

RESULTS

	Group RM	Company RM
Profit net of tax	**49,867,567**	**21,163,095**

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

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 2016 were as follows:

	RM
In respect of the financial year ended 30 April 2016 as reported in the directors' report of that year:	
Single tier final dividend of 0.80 sen per ordinary share approved on 23 September 2016 and paid on 14 October 2016	8,985,120
In respect of the financial year ended 30 April 2017:	
Single tier interim dividend of 1.60 sen per ordinary share declared on 2 December 2016 and paid on 6 January 2017	17,970,080

At the forthcoming Annual General Meeting, a single tier final dividend, in respect of the financial year ended 30 April 2017, of 0.80 sen per ordinary share, amounting to dividend payable of RM8,984,960 will be proposed for shareholders' 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 2018.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to 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.

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report, not including those Directors listed above are:

Lee Chong Chat
Lee Hooi Fung
Lee Chong Loo
Foo Say Hai
Thamrong Pattampass

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			
	1 May 2016	**Bought**	**Sold**	**30 April 2017**
The Company				
Direct				
Dato' Teoh Boon Beng @ Teoh Eng Kuan	20,125,800	–	–	**20,125,800**
Lee See Jin	327,460,249	–	(11,207,300)	**316,252,949**
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	65,887,278	–	(5,087,300)	**60,799,978**

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D.)

	Number of ordinary shares			
	1 May 2016	Bought	Sold	30 April 2017
The Company				
Indirect				
Interest of Spouse/Children of the Directors*				
Dato' Teoh Boon Beng @ Teoh Eng Kuan	114,867,292	–	(5,087,300)	**109,779,992**
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 59(11)(c) of the Companies Act 2016.

** Deemed interested by virtue of his shareholdings in Kota Beras Sendirian Berhad and Teoh Peng Heong & Sons Sdn. Bhd., pursuant to Section 8(4) of the Companies Act 2016.

Deemed interested by virtue of his shareholdings in Kota Beras Sendirian Berhad pursuant to Section 8(4) of the Companies Act 2016.

Directors of the subsidiaries of the Company

	Number of ordinary shares			
	1 May 2016	Bought	Sold	30 April 2017
The Company				
Direct				
Lee Chong Chat	48,240	–	–	**48,240**
Lee Hooi Fung	180,000	–	–	**180,000**
Lee Chong Loo	548,000	–	–	**548,000**

Lee See Jin by virtue of his 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.

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.

INDEMNITIES TO DIRECTORS, OFFICERS OR AUDITORS

Expenses incurred on indemnity given or insurance effected for any director or officer of the Company during the financial year amounted to RM22,000 (2016:RM22,000). No indemnity was given to or insurance effected for auditors of the Company.

TREASURY SHARES

During the financial year, the Company had repurchased a total of 20,000 ordinary shares from the open market for a total consideration (inclusive of commission, stamp duty and other charges) of RM17,234 at an average cost of RM0.86 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 127 of the Companies Act 2016.

DIRECTORS' REPORT (CONT'D)

TREASURY SHARES (CONT'D)

As at 30 April 2017, the Company held as treasury shares a total of 80,000 of its 1,123,200,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM64,465 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.

DIRECTORS' REPORT (CONT'D)

AUDITORS AND AUDITORS' REMUNERATION

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

Auditors' remuneration are disclosed in Note 8 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 August 2017.

Lee See Jin

Lee Chong Choon

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

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 56 to123 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2017 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 124 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 10 August 2017

Lee See Jin

Lee Chong Choon

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Lee Chong Choon**, being the director primarily responsible for the financial management of NTPM Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 56 to 124 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 **Lee Chong Choon**
at Georgetown in the State of Penang
on 10 August 2017

Lee Chong Choon

Before me,

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NTPM HOLDINGS BERHAD

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of NTPM Holdings Berhad. which comprise the statements of financial position as at 30 April 2017 of the Group and of the Company, and 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 56 to 123.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2017, and of their financial performance and their 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 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition and customer rebates (Refer to Note 3.2 and Note 24 to the financial statements.

The Group's revenue is mainly derived from sales of paper and personal care products. We identified revenue recognition to be an area of audit focus as the magnitude and the high volume of transactions may give rise to a higher risk of material misstatements relating to the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

We also assessed the risk of material misstatement in respect of management's estimates of customers' rebates to be higher as it is an area which may give rise to possible overstatement of revenue.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF NTPM HOLDINGS BERHAD

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (cont'd)

As part of our audit, we performed the following:

(a) obtained an understanding of the Group's relevant internal controls and tested the controls over timing and amount of revenue recognised;
(b) inspected the terms of sales invoices to determine the point of transfer of significant risk and rewards;
(c) inspected documents evidencing the delivery of goods to customers;
(d) tested the recording of sales transactions close to the year end, including credit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period; and
(e) in respect of management's estimates of customers' rebates, our audit procedures included amongst others, evaluating and testing the relevant controls performed by management in estimating the amount and timing of recognition of customers' rebates. For the major customers, we inspected the terms of sales contracts to determine the customer's eligibility and the agreed rates.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF NTPM HOLDINGS BERHAD

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF NTPM HOLDINGS BERHAD

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

Other reporting responsibilities

The supplementary information set out in Note 36 on page 124 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 ("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 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young	**Teoh Soo Hock**
AF: 0039	No. 2477/10/17(J)
Chartered Accountants	Chartered Accountant

Penang, Malaysia
10 August 2017

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Revenue	4	**645,253,569**	601,705,502	**29,448,606**	25,303,689
Other operating income	5	**2,084,618**	2,219,686	**4,509,302**	4,550,560
Advertising and promotional expenses		**(11,337,549)**	(10,743,029)	**(3,598)**	(520)
Changes in inventories of finished goods and work-in-progress		**7,382,436**	4,325,104	**–**	–
Depreciation		**(32,100,350)**	(29,340,815)	**(96,869)**	(90,814)
Employee benefits expense	6	**(119,541,709)**	(107,078,305)	**(10,379,947)**	(9,429,628)
Management fees		**–**	–	**(103,193)**	(99,530)
Purchases of trading inventories		**(15,087,494)**	(11,795,727)	**–**	–
Raw materials and consumables used		**(279,145,962)**	(260,965,745)	**–**	–
Repairs and maintenance		**(16,412,525)**	(14,322,582)	**(208,862)**	(162,689)
Transportation and freight charges		**(34,456,833)**	(29,330,129)	**–**	–
Utilities costs		**(41,348,736)**	(37,211,465)	**(22,237)**	(24,911)
Other operating expenses	8	**(27,772,121)**	(23,245,966)	**(855,971)**	(751,705)
Operating profit		**77,517,344**	84,216,529	**22,287,231**	19,294,452
Finance costs	9	**(5,139,844)**	(6,027,021)	**–**	–
Profit before tax		**72,377,500**	78,189,508	**22,287,331**	19,294,452
Income tax expense	10	**(22,509,933)**	(20,522,126)	**(1,124,136)**	(1,043,320)
Profit net of tax		**49,867,567**	57,667,382	**21,163,095**	18,251,132
Earnings per share attributable to owners of the parent (sen):					
Basic/Diluted	11	**4.44**	5.13		

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 2017

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Profit net of tax	**49,867,567**	57,667,382	**21,163,095**	18,251,132
Other comprehensive income:				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Revaluation of land and buildings, net of tax	**10,804,499**	–	**–**	–
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Foreign currency Translation, net of tax	**1,489,569**	1,921,606	**–**	–
Other comprehensive income for the year net of tax	**12,294,068**	1,921,606	**–**	–
Total comprehensive income for the year	**62,161,635**	59,588,988	**21,163,095**	18,251,132

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

STATEMENTS OF **FINANCIAL POSITION**
AS AT 30 APRIL 2017

Group	Note	2017 RM	2016 RM
Assets			
Non-current assets			
Property, plant and equipment	12	**375,203,961**	368,753,126
Land use rights	13	**22,449,238**	21,486,777
Other investment	15	**–**	–
Deferred tax assets	16	**619,988**	464,663
		398,273,187	390,704,566
Current assets			
Inventories	17	**138,290,813**	131,391,847
Trade and other receivables	18	**122,377,585**	110,003,108
Tax recoverable	19	**2,101,550**	2,208,817
Derivative assets	20	**140,926**	–
Cash and bank balances	21	**65,577,738**	50,998,523
		328,488,612	294,602,295
Total assets		**726,761,799**	685,306,861
Equity and liabilities			
Current liabilities			
Derivative liabilities	20	**–**	108,855
Loans and borrowings	22	**139,402,446**	127,804,957
Retirement benefit obligations	23	**18,867**	6,202
Trade and other payables	24	**97,211,397**	94,141,916
Tax payable		**1,048,165**	1,775,665
		237,680,875	223,837,595
Net current assets		**90,807,737**	70,764,700
Non-current liabilities			
Deferred tax liabilities	16	**21,338,716**	18,137,333
Loans and borrowings	22	**18,636,637**	29,714,617
Retirement benefit obligations	23	**3,004,881**	2,705,827
		42,980,234	50,557,777
Total liabilities		**280,661,109**	274,395,372
Net assets		**446,100,690**	410,911,489
Equity attributable to owners of the parent			
Share capital	25	**112,320,000**	112,320,000
Treasury shares	25	**(64,465)**	(47,231)
Other reserves	26	**59,584,035**	47,289,967
Retained profits	27	**274,261,120**	251,348,753
Total equity		**446,100,690**	410,911,489
Total equity and liabilities		**726,761,799**	685,306,861

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

STATEMENTS OF **FINANCIAL POSITION** (CONT'D)
AS AT 30 APRIL 2017

Company	Note	2017 RM	2016 RM
Assets			
Non-current assets			
Property, plant and equipment	12	**408,450**	477,072
Investments in subsidiaries	14	**20,216,543**	20,216,543
Deferred tax assets	16	**18,763**	37,247
		20,643,756	20,730,862
Current assets			
Trade and other receivables	18	**109,404,206**	113,579,633
Tax recoverable		**64,559**	96,804
Cash and bank balances	21	**1,095,558**	1,834,996
		110,564,323	115,511,433
Total assets		**131,208,079**	136,242,295
Equity and liability			
Current liability			
Trade and other payables	24	**5,269,614**	4,494,491
Net current assets		**105,294,709**	111,016,942
Net assets		**125,938,465**	131,747,804
Equity attributable to owners of the parent			
Share capital	25	**112,320,000**	112,320,000
Treasury shares	25	**(64,465)**	(47,231)
Retained profits	27	**13,682,930**	19,475,035
Total equity		**125,938,465**	131,747,804
Total equity and liability		**131,208,079**	136,242,295

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 2017

Group	Note	Share capital RM	Treasury shares RM	Non-distributable Other reserves RM	Distributable Retained profits RM	Total RM
At 1 May 2016		112,320,000	(47,231)	47,289,967	251,348,753	410,911,489
Total comprehensive income		–	–	12,294,068	49,867,567	62,161,635
Transactions with owners						
Purchase of treasury shares	25	–	(17,234)	–	–	(17,234)
Dividends	28	–	–	–	(26,955,200)	(26,955,200)
Total transactions with owners		–	(17,234)	–	(26,955,200)	(26,972,434)
At 30 April 2017		**112,320,000**	**(64,465)**	**59,584,035**	**274,261,120**	**446,100,690**
Group						
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

Company	Note	Share capital RM	Treasury shares RM	Distributable Retained profits RM	Total RM
At 1 May 2016		112,320,000	(47,231)	19,475,035	131,747,804
Total comprehensive income		–	–	21,163,095	21,163,095
Transactions with owners					
Purchase of treasury shares	25	–	(17,234)	–	(17,234)
Dividends	28	–	–	(26,955,200)	(26,955,200)
Total transactions with owners		–	(17,234)	(26,955,200)	(26,972,434)
At 30 April 2017		**112,320,000**	**(64,465)**	**13,682,930**	**125,938,465**
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

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 2017

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Operating activities				
Profit before tax	**72,377,500**	78,189,508	**22,287,231**	19,294,452
Adjustments for:				
Amortisation of land use rights	**559,258**	545,941	**–**	–
Bad debts written off	**419,981**	121,390	**–**	–
Depreciation	**32,100,350**	29,340,815	**96,869**	90,814
Dividend income	**–**	–	**(18,000,000)**	(15,400,000)
Interest expense	**5,139,844**	6,027,021	**–**	–
Interest income	**(558,399)**	(667,608)	**(4,509,302)**	(4,550,560)
(Gain)/ loss on disposal of property, plant and equipment	**(43,183)**	237,908	**–**	18,646
Net fair value (gain)/loss on derivatives	**(249,781)**	(216,077)	**–**	–
Property, plant and equipment written off	**150,993**	51,698	**–**	–
Increase in liability for defined benefit plan	**392,664**	360,049	**–**	–
(Reversal)/ allowance of impairment loss on trade receivables, net	**(125,889)**	245,743	**–**	–
Inventories written down to net realisable value	**7,533**	174,642	**–**	–
Short term accumulating compensated absences	**131,993**	326,364	**(6,895)**	(10,984)
Reversal of impairment losses on plant and machinery	**–**	(41,535)	**–**	–
Revaluation deficit on land and buildings	**2,010,244**	–	**–**	–
Unrealised foreign exchange loss/(gain)	**977,469**	113,051	**(58,178)**	13,671
Total adjustments	**40,913,077**	36,619,402	**(22,477,506)**	(19,838,413)
Operating cash flows before changes in working capital	**113,290,577**	114,808,910	**(190,275)**	(543,961)
Changes in working capital				
Decrease/(increase) in receivables	**4,026,543**	7,266,534	**6,582,058**	(976,592)
Increase in inventories	**(6,094,926)**	(13,382,294)	**–**	–
(Decrease)/ increase in payables	**(16,082,972)**	2,312,677	**766,460**	1,620,202
Decrease in retirement benefit obligations	**(82,347)**	(71,996)	**–**	–
Total changes in working capital	**(18,233,702)**	(3,875,079)	**7,348,518**	643,610
Cash flows generated from operations	**95,056,875**	110,933,831	**7,158,243**	99,649
Interest paid	**(5,139,844)**	(6,027,021)	**–**	–
Tax paid	**(21,002,473)**	(22,292,625)	**(1,315,749)**	(1,121,016)
Tax refund	**280,383**	–	**242,343**	–
Net cash flows generated from/ (used in) operating activities	**69,194,941**	82,614,185	**6,084,837**	(1,021,367)
Investing activities				
Purchase of property, plant and equipment (Note A)	**(24,435,189)**	(25,388,749)	**(28,247)**	(9,661)
Dividends received	**–**	–	**24,400,000**	9,000,000
Interest received	**558,399**	667,608	**4,509,302**	4,550,560
Net change in related companies balances	**–**	–	**(8,732,896)**	(3,458,791)
Proceeds from disposal of property, plant and equipment	**264,141**	615,494	**–**	23,000
Net cash (used in)/generated from investing activities	**(23,612,649)**	(24,105,647)	**20,148,159**	10,105,108

STATEMENTS OF **CASH FLOWS** (CONT'D)
FOR THE YEAR ENDED 30 APRIL 2017

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Financing activities				
Dividends paid	**(26,955,200)**	(8,985,120)	**(26,955,200)**	(8,985,120)
Net change in bank borrowings	**7,596,633**	(77,720,001)		–
Repayment of obligations under finance lease	**(30,598)**	–	**–**	–
Repayment of term loans	**(53,191,871)**	(39,406,589)	**–**	–
Drawdown of term loans	**39,338,786**	80,964,748	**–**	–
Purchase of treasury shares	**(17,234)**	(17,779)	**(17,234)**	(17,779)
Net cash used in financing activities	**(33,259,484)**	(45,164,741)	**(26,972,434)**	(9,002,899)
Net increase/(decrease) in cash and cash equivalents	**12,322,808**	13,343,797	**(739,438)**	80,842
Effect of exchange rate	**2,256,407**	304,323	**–**	–
Cash and cash equivalents as at 1 May 2016/2015	**50,998,523**	37,350,403	**1,834,996**	1,754,154
Cash and cash equivalents as at 30 April 2017/2016 (Note B)	**65,577,738**	50,998,523	**1,095,558**	1,834,996

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 RM25,047,029 (2016: RM25,388,749) and RM28,247 (2016: RM9,661) respectively by way of the following:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Hire purchase and finance lease	**611,840**	–	**–**	–
Cash payments	**24,435,189**	25,388,749	**28,247**	9,661
	25,047,029	25,388,749	**28,247**	9,661

B. Cash and cash equivalents comprise:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash on hand and at banks	**37,031,296**	27,504,831	**896,407**	1,764,549
Deposits with licensed banks	**28,546,442**	23,493,692	**199,151**	70,447
	65,577,738	50,998,523	**1,095,558**	1,834,996

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

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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.

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 2016 in Malaysia.

On 15 September 2016, the Companies Act 2016 ("New Act") was enacted and it replaces the Companies Act, 1965 in Malaysia with the New Act with effect from 31 January 2017. The key changes of the New Act are disclosed in Note 2.30.

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 2016, 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 2016.

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 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

The adoption of the above standards does not have any significant impact on the financial statements of the Group and the Company.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.2 Changes in accounting policies (cont'd)

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 amendments do not have any impact on the Group's and the Company's financial statements.

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. These amendments do not 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. This amendment is applied retrospectively.
MFRS 119 Employee Benefits	The amendment to MFRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.
MFRS 134 Interim Financial Reporting	The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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**
Amendments to MFRS 107 Disclosures Initiatives	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 – 2016	
(i) Amendments to MFRS 12 Disclosure of Interests in Other Entities	1 January 2017
(ii) Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
(iii) Amendments to MFRS 128 Investment in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140 Transfer of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
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
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 Amendments to MFRS 107 Disclosure initiatives, MFRS 15 Revenue from Contracts with Customers, MFRS 16 Leases and MFRS 9 Financial Instruments. The Group is still in the process of assessing the financial impact of MFRS 107, MFRS 15, MFRS 16 and MFRS 9.

Amendments to MFRS 107 Disclosures Initiatives

The amendments to MFRS 107 Disclosures Initiatives requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of this amendment, entities are not required to provide comparative information for preceeding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosures to be provided by the Group and the Company.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

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

Amendments to MFRS 112 Recognition of Deferred Tax for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies these amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Group and on the Company.

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.

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

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

MFRS 16 Leases (cont'd)

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group and the Company are currently assessing the impact of MFRS 16 and plan to adopt the new standard on the required effective date.

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.

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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.4 Basis of consolidation (cont'd)

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** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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, 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. All other property, 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 life 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.

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 life 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

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.

2.9 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.10 Financial assets (cont'd)

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

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.

(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 preceeding 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.10 Financial assets (cont'd)

(d) Available-for-sale financial assets (cont'd)

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.

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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.11 Impairment of financial assets (cont'd)

(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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

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.

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

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

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.

2.18 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.18 Employee benefits (cont'd)

c) Defined benefit plans (cont'd)

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).

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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.19 Leases (cont'd)

As lessee (cont'd)

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 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.

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

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.21 Taxes (cont'd)

(b) Deferred tax (cont'd)

- 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

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.

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 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.26 Fair value measurement (cont'd)

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.

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.

2.27 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;

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

2.27 Related parties (cont'd)

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

(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).

2.28 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.

2.29 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.

2.30 Significant changes in regulatory requirements

Companies Act 2016

Amongst the key changes introduced in the New Act which will affect the financial statements of the Group and the Company upon the commencement of the New Act on 31 January 2017 are:

· the removal of the authorised share capital; and
· the ordinary shares of the Company will cease to have par or nominal value

The adoption of the New Act has no financial impact on the Group and the Company for the current financial year ended 30 April 2017. The effects of adoption are mainly on the disclosures to the financial statements of the Group and the Company.

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. 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.

The carrying amount of the Group's inventories at the reporting date are disclosed in Note 17.

iv. 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'T)

3.2 Key sources of estimation uncertainty (cont'd)

v. 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.

vi. Customer rebates

The Group had recognised provision for sales rebate according to the contractual arrangements entered into with its customers. Estimating the provision for sales rebate requires the Group to make an estimate based on historical experiences, contractual arrangement and on the claims expected to be made by customers.

The Group assessed the provisions at each reporting date and adjusted to reflect the current best estimate. Where it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision for sales rebate is reversed.

Further details of the provision for sales rebate are disclosed in Note 24.

4. REVENUE

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Sales of paper and personal care products	**645,253,569**	601,705,502	**–**	–
Management fees	**–**	–	**11,448,606**	9,903,689
Dividend income	**–**	–	**18,000,000**	15,400,000
	645,253,569	601,705,502	**29,448,606**	25,303,689

5. OTHER OPERATING INCOME

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Sundry income	**1,526,219**	1,552,078	**–**	–
Interest income from:				
- Loans and receivables	**–**	–	**4,491,240**	4,530,118
- Deposits with licensed banks	**558,399**	667,608	**18,062**	20,442
	2,084,618	2,219,686	**4,509,302**	4,550,560

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Wages and salaries	**89,000,021**	78,179,021	**3,482,547**	2,721,159
Executive directors' remuneration (Note 7)	**7,061,387**	6,864,379	**6,146,280**	5,976,070
Social security contributions	**1,702,428**	1,175,491	**33,181**	36,438
Short term accumulating compensated absences	**131,993**	326,364	**(6,895)**	(10,984)
Contribution to defined contribution plan	**10,327,302**	9,178,739	**594,355**	551,802
Increase in liability for defined benefit plan (Note 23)	**392,664**	360,049	**–**	–
Sundry wages	**5,440,696**	5,482,638	**–**	5,500
Other benefits	**5,485,218**	5,511,624	**130,479**	149,643
	119,541,709	107,078,305	**10,379,947**	9,429,628

Included in employee benefits expense of the Group and of the Company are remuneration of the Company's executive directors amounting to RM4,222,767 (2016: RM4,093,690) and RM4,209,354 (2016: RM4,076,290) respectively as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors of the Company				
Executive directors' remuneration:				
Fees	**120,000**	120,000	**120,000**	120,000
Other emoluments	**4,071,380**	3,928,290	**4,071,380**	3,928,290
Benefits-in-kind	**31,387**	45,400	**17,974**	28,000
	4,222,767	4,093,690	**4,209,354**	4,076,290
Non-executive directors' remuneration:				
Fees	**240,000**	240,000	**240,000**	240,000
Other emoluments	**9,500**	8,000	**9,500**	8,000
	249,500	248,000	**249,500**	248,000
Other Directors				
Executive directors' remuneration:				
Fees	**121,184**	118,658	**–**	–
Other emoluments	**2,748,823**	2,697,431	**1,954,900**	1,927,780
Benefits-in-kind	**70,251**	65,042	**3,497**	–
	2,940,258	2,881,131	**1,958,397**	1,927,780
Non-executive directors' remuneration:				
Fees	**29,040**	–	**–**	–
Other emoluments	**24,200**	27,720	**–**	–
	53,240	27,720	**–**	–
	7,465,765	7,250,541	**6,417,251**	6,252,070

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

7. DIRECTORS' REMUNERATION (CONT'D)

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Total directors' remuneration:				
Executive directors' remuneration (Note 6)	**7,061,387**	6,864,379	**6,146,280**	5,976,070
Non-executive directors' remuneration (Note 8)	**302,740**	275,720	**249,500**	248,000
	7,364,127	7,140,099	**6,395,780**	6,224,070
Estimated money value of benefits-in-kind	**101,638**	110,442	**21,471**	28,000
Total directors' remuneration including benefits-in-kind	**7,465,765**	7,250,541	**6,417,251**	6,252,070

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Executive:				
Salaries and other emoluments	**3,742,264**	3,488,667	**3,186,090**	2,958,592
Fees	**241,184**	238,658	**120,000**	120,000
Bonus	**3,077,939**	3,137,054	**2,840,190**	2,897,478
Benefits-in-kind	**101,638**	110,442	**21,471**	28,000
	7,163,025	6,974,821	**6,167,751**	6,004,070
Non-executive:				
Fees	**293,240**	267,720	**240,000**	240,000
Allowance	**9,500**	8,000	**9,500**	8,000
	302,740	275,720	**249,500**	248,000
	7,465,765	7,250,541	**6,417,251**	6,252,070

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	
	2017	**2016**
Executive directors:		
RM1,350,001 - RM1,400,000	**–**	1
RM1,400,001 - RM2,000,000	**1**	–
RM2,650,001 - RM2,700,000	**1**	1
Non-executive directors:		
RM50,001 - RM100,000	**4**	4

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

8. OTHER OPERATING EXPENSES

Other operating expenses are stated:-

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
After charging/(crediting):				
Auditors' remuneration				
- statutory audit				
- current year	**297,688**	292,165	**56,000**	53,000
- underprovision in prior years	**7,941**	10,160	**3,000**	5,000
- other services	**123,819**	81,128	**15,900**	15,700

Other operating expenses are stated:-

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
(Reversal)/ allowance of impairment loss on trade receivables, net (Note 18(a))	**(125,889)**	245,743	**–**	–
Inventories written down to net realisable value	**7,533**	174,642	**–**	–
Amortisation of land use rights (Note 13)	**559,258**	545,941	**–**	–
Bad debts written off	**419,981**	121,390	**–**	–
Bad debts recovered	**(21,653)**	(56,915)	**–**	–
(Gain)/ loss on disposal of property, plant and equipment	**(43,183)**	237,908	**–**	18,646
Net fair value gain on derivatives	**(249,781)**	(216,077)	**–**	–
Net foreign exchange loss/(gain)	**2,352,974**	5,640,167	**(72,934)**	(39,671)
Non-executive directors' remuneration (Note 7)	**302,740**	275,720	**249,500**	248,000
Property, plant and equipment written off	**150,993**	51,698	**–**	–
Revaluation deficit in land and buildings (Note 12)	**2,010,244**	–	**–**	–
Reversal of impairment losses on plant and machinery (Note 12)	**–**	(41,535)	**–**	–
Rental expense	**1,493,567**	1,157,124	**43,200**	43,200

9. FINANCE COSTS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Interest expense on:				
- Loans and borrowings	**5,139,844**	6,027,021	**–**	–

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

10. INCOME TAX EXPENSE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Income tax:				
Malaysian income tax	**19,605,140**	20,629,529	**1,109,380**	1,070,385
Foreign tax	**144,764**	574,872	**–**	–
	19,749,904	21,204,401	**1,109,380**	1,070,385
Under/(over) provision in prior years:				
Malaysian income tax	**465,128**	29,733	**(3,728)**	(13,527)
Foreign tax	**(147,712)**	–	**–**	–
	20,067,320	21,234,134	**1,105,652**	1,056,858
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	**2,591,769**	(810,709)	**13,530**	(15,330)
(Over)/under provision in prior years	**(149,156)**	98,701	**4,954**	1,792
	2,442,613	(712,008)	**18,484**	(13,538)
Income tax expense recognised in profit or loss	**22,509,933**	20,522,126	**1,124,136**	1,043,320
Deferred income tax related to other comprehensive income:				
- Net surplus on revaluation of freehold land and buildings	**601,182**	–	**–**	–

The Malaysian corporate statutory tax rate for the year of assessment 2017 was 24% (2016: 24%).

On 10 April 2017, the Income Tax (Exemption) (No.2) Order 2017 ("Order") was gazetted to provide a special income tax exemption to a qualifying person and the exemption is granted based on the incremental amount of chargeable income from preceeding year and is applicable for years of assessment 2017 and 2018. The exemption given is computed based on the percentage of increased chargeable income and according to the formula prescribed in the Order and ranges from 1% to 4%.

Certain subsidiaries of the Group and the Company are qualified to enjoy such exemption under this Order.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

10. INCOME TAX EXPENSE (CONT'D.)

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 2017 and 2016 are as follows:

	Group	
	2017	**2016**
	RM	**RM**
Profit before tax	**72,377,500**	78,189,508
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	**17,370,600**	18,765,482
Effect of reduction in tax rate on incremental chargeable income	**(61,700)**	–
Effect of different tax rates in other countries	**478,961**	360,631
Effect of expenses not deductible for tax purposes	**1,944,038**	1,505,234
Effect of income not subject to tax	**(1,130,326)**	(757,634)
Deferred tax assets not recognised during the year	**4,342,644**	3,842,380
Utilisation of deferred tax assets not recognised in prior year	**–**	(8,661)
Deferred tax assets recognised on unutilised reinvestment allowance arising during current year	**(49,305)**	(2,125,660)
Capital allowance forfeited during the year	**50,771**	72,690
Allowance for increased exports claimed during the year	**(604,010)**	(1,260,770)
Underprovision of income tax in prior years	**317,416**	29,733
(Over)/under provision of deferred tax in prior years	**(149,156)**	98,701
Tax expense for the year	**22,509,933**	20,522,126

	Company	
	2017	**2016**
	RM	**RM**
Profit before tax	**22,287,231**	19,294,452
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	**5,348,935**	4,630,668
Effect of reduction in tax rate on incremental chargeable income	**(61,700)**	–
Effect of expenses not deductible for tax purposes	**155,675**	120,387
Effect of income not subject to tax	**(4,320,000)**	(3,696,000)
Overprovision of income tax in prior years	**(3,728)**	(13,527)
Underprovision of deferred tax in prior years	**4,954**	1,792
Tax expense for the year	**1,124,136**	1,043,320

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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 2017	Group 2016
Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share (RM)	**49,867,567**	57,667,382
Weighted average number of ordinary shares used in the computation of earnings per share (RM)	**1,123,152,959**	1,123,152,978
Basic earnings per share (sen)	**4.44**	5.13
Diluted earnings per share (sen)	**4.44**	5.13

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

12. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings* RM	Capital work–in–progress RM	Plant and machinery and electrical installations RM	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, office equipment and computers RM	Total RM
At 2017						
Cost/valuation						
At 1 May 2016						
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
	197,428,126	6,548,947	444,876,903	39,860,463	13,416,953	702,131,392
Additions	149,720	16,885,728	2,113,470	5,020,512	877,599	25,047,029
Disposals	–	–	(3,285)	(1,732,824)	(1,549)	(1,737,658)
Write offs	–	(128,674)	(38,489)	(4,616)	(508)	(172,287)
Reclassification	817,298	(19,401,833)	18,495,853	–	88,682	–
Revaluation surplus recognised in other comprehensive income	11,405,681	–	–	–	–	11,405,681
Revaluation deficit recognised in profit or loss	(2,010,244)	–	–	–	–	(2,010,244)
Elimination of accumulated depreciation on revaluation	(11,256,818)	–	–	–	–	(11,256,818)
Translation difference	2,192,376	3,084	2,520,330	346,783	29,454	5,092,027
At 30 April 2017	**198,726,139**	**3,907,252**	**467,964,782**	**43,490,318**	**14,410,631**	**728,499,122**

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

Group	Land and buildings* RM	Capital work–in–progress RM	Plant and machinery and electrical installations RM	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, office equipment and computers RM	Total RM
Representing:						
At cost	–	3,907,252	467,964,782	43,490,318	14,410,631	529,772,983
At valuation	198,726,139	–	–	–	–	198,726,139
At 30 April 2017	**198,726,139**	**3,907,252**	**467,964,782**	**43,490,318**	**14,410,631**	**728,499,122**
Accumulated depreciation and impairment losses						
At 1 May 2016	7,995,209	–	290,895,033	25,120,962	9,367,062	333,378,266
Depreciation charge for the year	3,155,936	–	25,212,985	2,881,621	849,808	32,100,350
Disposals	–	–	(2,200)	(1,512,952)	(1,548)	(1,516,700)
Write offs	–	–	(16,170)	(4,616)	(508)	(21,294)
Elimination of accumulated depreciation on revaluation	(11,256,818)	–	–	–	–	(11,256,818)
Translation difference	105,673	–	302,685	183,719	19,280	611,357
At 30 April 2017	**–**	**–**	**316,392,333**	**26,668,734**	**10,234,094**	**353,295,161**
Net carrying amount						
At cost	–	3,907,252	151,572,449	16,821,584	4,176,537	176,477,822
At valuation	198,726,139	–	–	–	–	198,726,139
At 30 April 2017	**198,726,139**	**3,907,252**	**151,572,449**	**16,821,584**	**4,176,537**	**375,203,961**
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

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

Group	Land and buildings* RM	Capital work–in–progress RM	Plant and machinery and electrical installations RM	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, office equipment and computers RM	Total RM
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

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

*** Land and buildings**

Group	Freehold land RM	Long-term leasehold land RM	Buildings RM	Total RM
At 2017				
Valuation				
At 1 May 2016	70,636,382	1,710,000	125,081,744	197,428,126
Additions	–	–	149,720	149,720
Reclassification	–	–	817,298	817,298
Translation difference	–	–	2,192,376	2,192,376
Revaluation surplus recognised in other comprehensive income	10,643,618	599,451	162,612	11,405,681
Revaluation deficit recognised in profit or loss	–	–	(2,010,244)	(2,010,244)
Elimination of accumulated depreciation on revaluation	–	(89,451)	(11,167,367)	(11,256,818)
At 30 April 2017	**81,280,000**	**2,220,000**	**115,226,139**	**198,726,139**
Accumulated depreciation				
At 1 May 2016	–	71,560	7,923,649	7,995,209
Depreciation charge for the year	–	17,891	3,138,045	3,155,936
Elimination of accumulated depreciation on revaluation	–	(89,451)	(11,167,367)	(11,256,818)
Translation difference	–	–	105,673	105,673
At 30 April 2017	**–**	**–**	**–**	**–**
Net carrying amount				
At 30 April 2017	**81,280,000**	**2,220,000**	**115,226,139**	**198,726,139**
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

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

* Land and buildings (cont'd)

	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, office equipment and computers RM	Total RM
Company			
At 2017			
Cost			
At 1 May 2016	1,348,546	179,703	1,528,249
Additions	–	28,247	28,247
At 30 April 2017	**1,348,546**	**207,950**	**1,556,496**
Accumulated depreciation			
At 1 May 2016	913,259	137,918	1,051,177
Depreciation charge for the year	78,051	18,818	96,869
At 30 April 2017	**991,310**	**156,736**	**1,148,046**
Net carrying amount			
At 30 April 2017	**357,236**	**51,214**	**408,450**
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

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

(a) Freehold land and buildings have been revalued at the reporting date based on valuations performed by accredited independent valuers. 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	
	2017	**2016**
	RM	**RM**
Freehold land	**29,789,042**	29,802,187
Buildings	**101,259,840**	101,203,273
	131,048,882	131,005,460

(b) Included in property, plant and equipment of the Group and Company are fully depreciated assets which are still in use costing RM235,301,452 (2016: RM219,482,593) and RM667,438 (2016: RM658,078) respectively.

(c) The net carrying amount of temporarily idle assets of the Group amounted to RM12,181,748 (2016: RM9,793,811).

(d) Included in property, plant and equipment of the Group are motor vehicles with net carrying amount of RM4 (2016: RM4) which are held in trust by third parties.

(e) During the financial year, the Group acquired motor vehicle with an aggregate cost of RM611,840 (2016: RM Nil) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to RM24,435,189 (2016: RM25,388,749).

The carrying amount of motor vehicle held under finance leases at the reporting date were RM1,211,343 (2016: RM Nil).

Leased assets are pledged as security for the related finance lease liabilities (Note 22).

(f) During the financial year, certain subsidiaries in Malaysia have carried out impairment review of their property, plant and equipment due to their continuing losses. No impairment loss is recognised from the review during the year (2016: a reversal of impairment loss of RM41,535 has been recognised in prior year's profit or loss). The recoverable amount as at 30 April 2017 was based on the higher of fair value less costs to sell or value in used which 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 7.63% on a pre-tax basis of the subsidiaries.

13. LAND USE RIGHTS

	Group	
	2017	**2016**
	RM	**RM**
At 1 May	**21,486,777**	21,037,706
Amortisation for the year	**(559,258)**	(545,941)
Translation difference	**1,521,719**	995,012
At 30 April	**22,449,238**	21,486,777
Analysed as:		
Short term leasehold land	**22,449,238**	21,486,777

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

14. INVESTMENTS IN SUBSIDIARIES

	Company 2017 RM	Company 2016 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

Details of the subsidiaries are as follows:

Name of subsidiaries	Equity interest held 2017 %	Equity interest held 2016 %	Principal activities	Country of incorporation
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, wet tissues 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

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

14. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiaries	Equity interest held 2017 %	2016 %	Principal activities	Country of incorporation
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 years' 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 7.63% (2016: 7.24%) discount rate used is pre-tax and reflects the cost of capital and internal rate of return of a subsidiary.

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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

15. OTHER INVESTMENT

	Group 2017 RM	Group 2016 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 years' 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 specialised stores.

16. DEFERRED TAX

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
At 1 May	**17,672,670**	18,381,731	**(37,247)**	(23,709)
Recognised in profit or loss (Note 10)	**2,442,613**	(712,008)	**18,484**	(13,538)
Recognised in other comprehensive income (Note 10)	**601,182**	–	**–**	–
	20,716,465	17,669,723	**(18,763)**	(37,247)
Exchange differences	**2,263**	2,947	**–**	–
At 30 April	**20,718,728**	17,672,670	**(18,763)**	(37,247)
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(619,988)**	(464,663)	**(18,763)**	(37,247)
Deferred tax liabilities	**21,338,716**	18,137,333	**–**	–
	20,718,728	17,672,670	**(18,763)**	(37,247)

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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 2016	(648,423)	(8,985,108)	(851,026)	(636,013)	(11,120,570)
Recognised in profit or loss	(73,460)	2,203,896	(21,380)	(162,261)	1,946,795
Exchange differences	–	–	(935)	–	(935)
At 30 April 2017	**(721,883)**	**(6,781,212)**	**(873,341)**	**(798,274)**	**(9,174,710)**
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)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM	Revaluation of properties RM	Others RM	Total RM
At 1 May 2016	22,709,415	6,035,968	47,857	28,793,240
Recognised in profit or loss	771,205	(307,347)	31,960	495,818
Recognised in other comprehensive income	–	601,182	–	601,182
Exchange differences	3,584	(386)	–	3,198
At 30 April 2017	**23,484,204**	**6,329,417**	**79,817**	**29,893,438**
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

Deferred tax assets of the Company:

	Unabsorbed capital allowances RM	Others RM	Total RM
At 1 May 2016	(4,955)	(59,715)	(64,670)
Recognised in profit or loss	4,955	13,962	18,917
At 30 April 2017	**–**	**(45,753)**	**(45,753)**
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)

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

16. DEFERRED TAX (CONT'D)

Deferred tax liability of the Company:

	Plant and equipment RM
At 1 May 2016	27,423
Recognised in profit or loss	(433)
At 30 April 2017	**26,990**
At 1 May 2015	32,726
Recognised in profit or loss	(5,303)
At 30 April 2016	27,423

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

	Group	
	2017 RM	**2016 RM**
Unused tax losses	**56,273,508**	36,049,777
Unabsorbed capital allowances	**15,536,943**	12,586,060
Other deductible temporary differences	**132,169**	132,467
	71,942,620	48,768,304

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	
	2017 RM	**2016 RM**
At cost:		
Raw materials	**62,214,013**	63,013,021
Work-in-progress	**8,037,470**	5,171,891
Finished goods	**34,702,552**	32,937,194
Trading goods	**3,135,617**	903,654
Consumable inventories	**8,000,804**	5,981,822
Spare parts and accessories	**21,693,570**	22,905,203
	137,784,026	130,912,785
At net realisable value:		
Work-in-progress	**29,029**	–
Finished goods	**477,758**	479,062
	506,787	479,062
	138,290,813	131,391,847

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM286,851,020 (2016: RM268,436,368).

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Trade receivables				
Trade receivables	**103,408,499**	98,137,022		–
Due from subsidiaries	**–**	–	**3,061,479**	2,274,172
	103,408,499	98,137,022	**3,061,479**	2,274,172
Allowance for impairment	**(342,680)**	(464,189)	**–**	–
Trade receivables, net	**103,065,819**	97,672,833	**3,061,479**	2,274,172
Other receivables				
Due from subsidiaries	**–**	–	**106,272,253**	104,652,928
Dividend receivable	**–**	–	**–**	6,400,000
Deposits for purchase of property, plant and equipment and raw materials	**11,251,434**	4,797,344	**–**	–
Prepayments	**1,585,702**	2,048,035	**–**	–
Sundry receivables and deposits	**2,098,563**	1,766,623	**30,125**	30,482
Staff advances	**440,627**	373,420	**39,175**	65,520
Indirect tax recoverable	**3,939,112**	3,348,525	**1,174**	156,531
	19,315,438	12,333,947	**106,342,727**	111,305,461
Allowance for impairment	**(3,672)**	(3,672)	**–**	–
Other receivables, net	**19,311,766**	12,330,275	**106,342,727**	111,305,461
Total trade and other receivables	**122,377,585**	110,003,108	**109,404,206**	113,579,633
Add: Cash and bank balances (Note 21)	**65,577,738**	50,998,523	**1,095,558**	1,834,996
Less: Deposits for purchase of property, plant and equipment and raw materials	**(11,251,434)**	(4,797,344)	**–**	–
Less: Dividend receivable	**–**	–	**–**	(6,400,000)
Less: Prepayments	**(1,585,702)**	(2,048,035)	**–**	–
Less: Indirect tax recoverable	**(3,939,112)**	(3,348,525)	**(1,174)**	(156,531)
Total financial assets classified as loans and receivables	**171,179,075**	150,807,727	**110,498,590**	108,858,098

(a) Trade receivables

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 (2016: 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

18. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2017	2016
	RM	RM
Neither past due nor impaired	**67,700,670**	62,165,225
1 to 30 days past due not impaired	**26,245,179**	24,400,141
31 to 60 days past due not impaired	**5,653,742**	7,826,971
61 to 90 days past due not impaired	**2,027,848**	1,726,816
More than 91 days past due not impaired	**1,438,380**	1,553,680
	35,365,149	35,507,608
Impaired	**342,680**	464,189
	103,408,499	98,137,022

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 RM35,365,149 (2016: RM35,507,608) that are past due at the reporting date but not impaired.

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	
	2017	2016
	RM	RM
At 1 May	**464,189**	229,320
Charge for the year	**631,530**	742,503
Reversal of impairment	**(757,419)**	(496,760)
Written off	**–**	(9,835)
Exchange difference	**4,380**	(1,039)
At 30 April	**342,680**	464,189

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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

18. TRADE AND OTHER RECEIVABLES (CONT'D.)

(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	
	2017	**2016**
	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 fee which are unsecured, interest-free and within the credit term.

The amounts due from subsidiaries included under other receivables comprise unsecured advances amounting to RM105,764,194 (2016: RM104,199,970), bearing interest at rates ranging from 4.21% - 4.45% (2016: 4.29% - 4.51%) per annum which are repayable upon demand.

Further details on related party transactions are disclosed in Note 29.

19. TAX RECOVERABLE

Included in the tax recoverable of the Group are tax to be recovered from Inland Revenue Board of RM Nil (2016:RM1,898,100) arising from the field audit in prior year.

20. DERIVATIVE ASSETS/ (LIABILITIES)

	Group	
	Notional Amount	**Derivative Assets/ (liabilities)**
	RM	**RM**
Non-hedging derivatives:		
30 April 2017:		
Forward currency contracts	**25,281,301**	**140,926**
30 April 2016:		
Forward currency contracts	26,672,391	(108,855)

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 RM249,781 (2016: RM216,077) 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

21. CASH AND BANK BALANCES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash on hand and at banks	**37,031,296**	27,504,831	**896,407**	1,764,549
Deposits with licensed banks	**28,546,442**	23,493,692	**199,151**	70,447
	65,577,738	50,998,523	**1,095,558**	1,834,996

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 2017 for the Group and the Company was 1.75% - 2.85% (2016: 1.10% - 3.00%) per annum and 1.75% (2016: 1.85%) per annum respectively.

22. LOANS AND BORROWINGS

	Group	
	2017 RM	2016 RM
Current		
Unsecured:		
Term loans	**29,265,448**	35,298,461
Islamic term loans	**43,151,478**	55,143,024
Onshore foreign currency loan	**14,322,000**	12,132,078
Revolving credit	**52,442,679**	25,231,394
	139,181,605	127,804,957
Secured		
Hire purchase and finance lease (Note 22.1)	**220,841**	–
	139,402,446	127,804,957

	Group	
	2017 RM	2016 RM
Non-current		
Unsecured:		
Term loans	**–**	5,578,382
Islamic term loans	**5,243,655**	8,516,804
Revolving credit	**13,023,005**	15,619,431
	18,266,660	29,714,617
Secured		
Hire purchase and finance lease (Note 22.1)	**369,977**	–
	18,636,637	29,714,617
Total loans and borrowings	**158,039,083**	157,519,574

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

22. LOANS AND BORROWINGS (CONT'D)

The remaining maturities of the loans and borrowings as at 30 April 2017 and 2016 are as follows:

	Group	
	2017	**2016**
	RM	**RM**
On demand or within 1 year	**139,402,446**	127,804,957
More than 1 year and less than 2 years	**16,653,943**	18,000,044
More than 2 years and less than 5 years	**1.982.694**	11,714,573
	158,039,083	157,519,574

At the reporting date, the applicable interest rates per annum ("p.a.") are as follows:

	Group	
	2017	**2016**
	%	**%**
Fixed rate:		
Hire purchase and finance lease	**2.99**	–
Term loans	**2.10 – 5.05**	1.19 – 5.05
Islamic term loans	**4.65 – 5.00**	4.65 – 5.00
Revolving credit	**2.17 – 3.71**	1.71 – 2.04
Floating rate:		
Onshore foreign currency loan	**2.10 – 2.14**	1.06 – 1.59

Hire purchase and finance lease

These obligations are secured by a charge over the leased assets (Note 12). The average discount rate implicit in the leases is 2.99% p.a. (2016: Nil). These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

Other borrowings

The other 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) Nibong Tebal Paper Mill Sdn. Bhd. ("NTPM") breached the covenant of the Islamic term loan as it did not fulfill the requirements for the submission of Occupancy Certificate for one of the production buildings within 9 months after the disbursement of the RM40.0 million term loan and also to obtain the letter of consent from all NTPM's existing financiers with negative pledge, failing which the said bank reserves the right to revise the terms and conditions of financing. The total borrowings with that particular bank amounted to RM39.9 million has been reclassified as current liabilities as at 30 April 2017. The bank is contractually entitled to request for immediate repayment of the outstanding loan amount in the event of breach of covenant.

   Subsequent to year end, NTPM has obtained the Occupancy Certificate for the said production building and also letters of consent from all NTPM's existing financiers with negative pledge. The bank has also agreed to grant an indulgence for non-compliance of the condition as mentioned above.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

22. LOANS AND BORROWINGS (CONT'D)

ii) NTPM (Singapore) Pte Ltd ("NSPL") breached the covenant of the term loan and revolving credit as did not fulfil the requirements to maintain a minimum debt service cover of not less than 1.05. The balance of the said term loan and revolving credit of RM3.2 million was presented as current liabilities as at 30 April 2017. The bank has the absolute discretion to revise or recall banking facilities in the event of breach of covenant.

22.1. Hire purchase and finance lease

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group	
	2017	**2016**
	RM	**RM**
Minimum lease payments:		
Not later than 1 year	**249,891**	–
Later than 1 year but not later than 2 years	**208,956**	–
Later than 2 years but not later than 5 years	**184,968**	–
Total minimum lease payments	**643,815**	–
Less: Amounts representing finance charges	**(52,997)**	–
Present value of minimum lease payments	**590,818**	–

	Group	
	2017	**2016**
	RM	**RM**
Present value of payments:		
Not later than 1 year	**220,841**	–
Later than 1 year but not later than 2 years	**191,969**	–
Later than 2 years but not later than 5 years	**178,008**	–
Present value of minimum lease payments	**590,818**	–
Less: Amount due within 12 months (Note 22)	**220,841**	–
Amount due after 12 months (Note 22)	**369,977**	–

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	
	2017	**2016**
	RM	**RM**
Current	**18,867**	6,202
Non-current	**3,004,881**	2,705,827
	3,023,748	2,712,029

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The amounts recognised in profit or loss are as follows:

	Group	
	2017	**2016**
	RM	**RM**
Current service cost	**241,539**	202,459
Interest cost	**151,125**	157,590
Total, included in employee benefits expense (Note 6)	**392,664**	360,049

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

	Group	
	2017	**2016**
	RM	**RM**
At 1 May	**2,712,029**	2,423,971
Amounts recognised in profit or loss (Note 6)	**392,664**	360,049
Contributions paid	**(82,347)**	(71,996)
Exchange differences	**1,402**	5
At 30 April	**3,023,748**	2,712,029

Principal actuarial assumptions used:

	Group	
	2017	**2016**
	%	**%**
Discount rate	**5.40**	5.60
Expected rate of salary increases	**7.00**	7.00

A quantitative sensitivity analysis for significant assumptions as at 30 April 2017 and 2016 is as shown below:

Assumptions	**Discount rate**		**Salary increment rate**	
	1% increase RM	**1% decrease RM**	**1% increase RM**	**1% decrease RM**
<u>**Sensitivity Level**</u>				
2017				
Impact on the net defined benefit obligations	**(416,515)**	**478,399**	**193,121**	**(191,564)**
2016				
Impact on the net defined benefit obligations	(370,289)	448,481	186,797	(164,079)

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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The following payments are expected contributions to be made in the future years out of the defined benefit plan obligations:

	2017 RM	2016 RM
Within the next 12 months (next annual reporting period)	**18,867**	6,202
Between 2 and 5 years	**237,696**	176,954
Between 5 and 10 years	**1,217,936**	1,097,769
Beyond 10 years	**21,450,365**	19,149,535
Total expected payments	**22,924,864**	20,430,460

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade payables				
Trade payables	**36,240,456**	31,049,883	**–**	–
Due to subsidiaries	**–**	–	**15,558**	3,600
	36,240,456	31,049,883	**15,558**	3,600
Other payables				
Due to directors	**338,477**	271,650	**270,438**	209,233
Accrual for payroll related expenses	**16,986,007**	15,751,705	**4,671,434**	4,037,040
Indirect taxes	**2,135,741**	2,373,157	**–**	–
Other statutory payables	**1,479,557**	1,394,721	**93,923**	99,364
Provision for sales rebates	**16,274,162**	19,251,811	**–**	–
Accruals of other expenses	**9,680,150**	10,881,611	**218,261**	145,254
Sundry payables	**14,076,847**	13,167,378	**–**	–
	60,970,941	63,092,033	**5,254,056**	4,490,891
Total trade and other payables	**97,211,397**	94,141,916	**5,269,614**	4,494,491
Add: Loans and borrowings (Note 22)	**158,039,083**	157,519,574	**–**	–
Less: Non contractual payroll related expenses	**(9,999,402)**	(6,552,128)	**(3,376,848)**	(3,131,340)
Less: Indirect taxes	**(2,135,741)**	(2,373,157)	**–**	–
Less: Other statutory payables	**(1,479,557)**	(1,394,721)	**(93,923)**	(99,364)
Total financial liabilities carried at amortised cost	**241,635,780**	241,341,484	**1,798,843**	1,263,787

(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 (2016: 30 to 90 days).

Included in the trade payables is RM147,290 (2016 RM30,854) payable to Kuang Tat Food Industries Sdn. Bhd., and RM1,170 (2016: RM Nil) 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

24. TRADE AND OTHER PAYABLES (CONT'D)

(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

	Number of ordinary shares		Amount	
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM	Treasury shares RM
At 1 May 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)
Purchase of treasury shares	–	(20,000)	–	(17,234)
At 30 April 2017	**1,123,200,000**	**(80,000)**	**112,320,000**	**(64,465)**

The Companies Act 2016 which came into operation on 31 January 2017 abolished the concept of authorised share capital and par value of share capital.

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 (2016: 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 RM17,234 (2016: RM17,779) 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

26. OTHER RESERVES

	← Non-distributable	→	
	Asset revaluation reserve	Foreign currency translation reserve	Total
	RM	RM	RM
Group			
At 1 May 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
Foreign currency translation	–	1,489,569	1,489,569
Revaluation of land and buildings	10,804,499	–	10,804,499
At 30 April 2017	**52,999,466**	**6,584,569**	**59,584,035**

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 2017 and 2016 under the single tier system.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

28. DIVIDENDS

	Dividend recognised in the year		Net dividend per share	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**Sen**	**Sen**
In respect of the financial year ended 30 April 2017:				
Single tier interim dividend paid on 6 January 2017	**17,970,080**	–	**1.60**	–
In respect of the financial year ended 30 April 2016:				
Single tier final dividend paid on 14 October 2016	**8,985,120**	–	**0.80**	–
Single tier interim dividend paid on 22 April 2016	**–**	8,985,120	**–**	0.80
	26,955,200	8,985,120	**2.40**	0.80

At the forthcoming Annual General Meeting, a single tier final dividend of 0.80 sen per ordinary share, in respect of the financial year ended 30 April 2017, amounting RM8,984,960 will be proposed for shareholder's approval.

The financial statements for the current year do not reflect the 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 2018.

29. RELATED PARTY DISCLOSURES

	Group	
	2017	**2016**
	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
Purchase of grocery (trading goods) from Jin Teik Organic Health Food Sdn. Bhd., a company connected to certain directors of the Group and the Company	**17,835**	–
Purchase of sanitary napkin (trading goods) from Jin Teik Organic Health Food Sdn. Bhd., a company connected to certain directors of the Group and the Company	**2,525,097**	–
Purchase of vermicelli (trading goods) from Kuang Tat Food Industries Sdn. Bhd., a company connected to certain directors of the Group and the Company	**698,766**	247,986

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

29. RELATED PARTY DISCLOSURES (CONT'D)

		Company	
		2017 RM	2016 RM
Advances to subsidiaries, net		**1,619,325**	3,386,953
Management fee paid/payable to a subsidiary	(i)	**103,193**	99,530
Management fees received/receivable from subsidiaries	(i)	**11,448,606**	9,903,689
Dividend income received/receivable from subsidiaries		**18,000,000**	15,400,000
Interest income received/receivable from subsidiaries		**4,491,240**	4,530,118
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 2017 and 2016 are disclosed in Notes 18 and 24.

The remuneration of key management during the year were as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Short term employee benefits	**6,743,633**	6,512,125	**5,780,301**	5,594,897
Post-employment benefit:				
Defined contribution plan	**722,132**	738,416	**636,950**	657,173
	7,465,765	7,250,541	**6,417,251**	6,252,070
Included in the total remuneration of key management personnel are:				
Directors' remuneration	**7,465,765**	7,250,541	**6,417,251**	6,252,070

30. CAPITAL COMMITMENTS

	Group	
	2017 RM	2016 RM
Capital expenditure:		
Approved and contracted for:		
Land and buildings	**6,969,851**	564,265
Plant and machinery	**45,175,458**	2,360,507
	52,145,309	2,924,772

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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:

Group	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
At 30 April 2017				
Non-financial assets				
- Land and buildings (Note 12)				
- Freehold land	**–**	**–**	**81,280,000**	**81,280,000**
- Long term leasehold land	**–**	**–**	**2,220,000**	**2,220,000**
- Buildings	**–**	**–**	**115,226,139**	**115,226,139**
Financial assets				
- Derivative assets (Note 21)	**–**	**140,926**	**–**	**140,926**
At 30 April 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)

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).

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

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
Property, plant and equipment				
- Freehold land	81,280,000 (2016: 70,636,382)	Market comparable approach	Difference in location, time factor and size	-43% to 41% (2016: -41% to 45%)
- Long term leasehold land	2,220,000 (2016: 1,638,440)	Market comparable approach	Difference in location, time factor and size	-21% to -12% (2016: -8% to 10%)
- Buildings	115,226,139 (2016: 117,158,095)	Depreciated replacement cost approach	Difference in location, time factor and size	-50% to -2% (2016: -50% to -2%)

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)	
2017	**Carrying amount RM**	**Profit or loss RM**	**Other comprehensive income RM**
Property, plant and equipment			
- Freehold land	**81,280,000**	**–**	**747,430**
- Long term leasehold land	**2,220,000**	**–**	**21,706**
- Buildings	**115,226,139**	**232,155**	**672,108**
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

In order to determine the effect of the above reasonable possible alternative assumptions, the Group adjusted the following key unobservable input used in the fair value measurement:

- The Group adjusted the unobservable inputs by increasing and decreasing the adjustments by 1% depending on the location, time factor and size of the specific properties.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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 measurement (cont'd.)

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
At 2017	**RM**	**RM**	**RM**
Opening balance	70,636,382	1,638,440	117,158,095
Addition	–	–	149,720
Depreciation charge for the year	–	(17,891)	(3,138,045)
Reclassification	–	–	817,298
Translation difference	–	–	2,086,703
Revaluation surplus/(reversal of revaluation surplus) recognised in other comprehensive income	10,643,618	599,451	162,612
Revaluation deficit recognised in profit or loss	–	–	(2,010,244)
Closing balances	**81,280,000**	**2,220,000**	**115,226,139**
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

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

	2017		2016	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Loans and borrowings				
- Term loans (Note 22)	–	–	5,578,382	5,406,457
- Islamic term loans (Note 22)	**5,243,655**	**5,111,830**	8,516,804	8,413,252
- Revolving credits (Note 22)	**13,023,005**	**13,194,811**	15,619,431	16,087,830
	18,266,660	**18,306,641**	29,714,617	29,907,539

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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

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

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.

<u>Amounts due from subsidiaries, staff loans, and fixed rate bank loans</u>

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.

<u>Derivatives</u>

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 Executive Directors. 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.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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 RM135,743,260 (2016: RM133,289,932) 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.

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:

	2017		2016	
	RM	**%**	**RM**	**%**
By country:				
Malaysia	**81,543,945**	**79**	76,246,769	78
Singapore	**15,214,212**	**15**	15,718,984	16
Other countries	**6,307,662**	**6**	5,707,080	6
	103,065,819	**100**	97,672,833	100

	2017		2016	
	RM	**%**	**RM**	**%**
By industry sector:				
Hypermarket and supermarket	**50,916,907**	**49**	50,957,046	52
Wholesale	**13,870,300**	**14**	11,676,683	12
Other retail	**25,749,064**	**25**	22,818,766	23
Commercial/others	**12,529,548**	**12**	12,220,338	13
	103,065,819	**100**	97,672,833	100

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

At the reporting date, approximately 34% (2016: 27%) of the Group's trade receivables were due from 8 (2016: 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.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2017		
	On demand or within 1 year RM	1 to 5 years RM	Total RM
Group			
Financial assets:			
Trade and other receivables	105,601,337	–	105,601,337
Derivative assets	140,926	–	140,926
Cash and bank balances	65,577,738	–	65,577,738
Total undiscounted financial assets	171,320,001	–	171,320,001
Financial liabilities:			
Trade and other payables	83,596,697	–	83,596,697
Loans and borrowings	144,681,241	19,400,942	164,082,183
Total undiscounted financial liabilities	228,277,938	19,400,942	247,678,880

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	2017		
	On demand or within 1 year RM	**1 to 5 years RM**	**Total RM**
Company			
Financial assets:			
Trade and other receivables	**109,403,032**	**–**	**109,403,032**
Cash and bank balances	**1,095,558**	**–**	**1,095,558**
Total undiscounted financial assets	**110,498,590**	**–**	**110,498,590**

	2017		
	On demand or within 1 year RM	**1 to 5 years RM**	**Total RM**
Company			
Financial liabilities:			
Trade and other payables, representing total undiscounted financial liabilities	**1,798,843**	**–**	**1,798,843**
	2016		
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
Derivative 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
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

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(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 RM10,885 (2016: RM9,220) lower/(higher) and RM80,381 (2016: RM79,172) 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
2017	**Increase/ (decrease) in basis point**	**Effect on profit net of tax RM**	**Effect on profit net of tax RM**
- Ringgit Malaysia	**+10**	**(10,885)**	**80,381**
- Ringgit Malaysia	**(-10)**	**10,885**	**(80,381)**

		Group	Company
2016	**Increase/ (decrease) in basis point**	**Effect on profit net of tax RM**	**Effect on profit net of tax RM**
- Ringgit Malaysia	+10	(9,220)	79,192
- Ringgit Malaysia	(-10)	9,220	(79,192)

(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 ("VND") and Thai Baht ("THB"). The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD").

Approximately 28% (2016: 27%) of the Group's sales are denominated in foreign currency whilst almost 23% (2016: 35%) of the Group's costs is denominated in the foreign currency. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Foreign currency risk (cont'd)

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 RM22,202,450 (2016: RM22,698,718) for the Group.

The Group uses forward currency contracts to mitigate the currency exposures on any firm commitment for sales or borrowings.

During the year ended 30 April 2017, the Group hedged 14% (2016: 12%) 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.

	(Decrease)/increase	
	Group	Company
2017	**Profit net of tax RM**	**Profit net of tax RM**
USD/MYR - strengthened 5%	**(1,672,217)**	**–**
- weakened 5%	**1,672,217**	**–**
THB/MYR - strengthened 5%	**1,147,104**	**–**
- weakened 5%	**(1,147,104)**	**–**
SGD/MYR - strengthened 10%	**5,952,718**	**42,855**
- weakened 10%	**(5,952,718)**	**(42,855)**
USD/SGD - strengthened 10%	**(7,676,072)**	**–**
- weakened 10%	**7,676,072**	**–**

	(Decrease)/increase	
	Group	Company
2016	**Profit net of tax RM**	**Profit net of tax RM**
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)
USD/SGD - strengthened 10%	(6,325,488)	–
- weakened 10%	6,325,488	–

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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 2017 and 2016.

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	
	2017 RM	**2016 RM**
Loans and borrowings (Note 22)	**158,039,083**	157,519,574
Less: Cash and bank balances (Note 21)	**(65,577,738)**	(50,998,523)
Net debt	**92,461,345**	106,521,051
Equity attributable to owners of the parent, representing capital	**446,100,690**	410,911,489
Capital and net debt	**538,562,035**	517,432,540
Net gearing ratio	**17%**	21%

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.

2017	**Tissue RM**	**Personal care RM**	**Amalgamation RM**	**Consolidated RM**
Revenue				
Revenue from external customers	**445,368,913**	**199,884,656**	**645,253,569**	**645,253,569**
Results				
Segment results	**56,862,129**	**20,096,816**	**76,958,945**	**76,958,945**
Interest income	**545,028**	**13,371**	**558,399**	**558,399**
Operating profit				**77,517,344**
Finance costs				**(5,139,844)**
Profit before tax				**72,377,500**
Income tax expense				**(22,509,933)**
Profit net of tax				**49,867,567**

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

34. SEGMENTAL INFORMATION (CONT'D.)

(a) Product segments (cont'd.):

2017	Tissue RM	Personal care RM	Amalgamation RM	Consolidated RM
Assets and liabilities				
Segment assets	**562,550,568**	**161,489,693**	**724,040,261**	**724,040,261**
Unallocated assets:				
Deferred tax assets				**619,988**
Tax assets				**2,101,550**
Consolidated total assets				**726,761,799**
Segment liabilities	**68,543,160**	**31,691,985**	**100,235,145**	**100,235,145**
Unallocated liabilities:				
Loans and borrowings				**158,039,083**
Tax liabilities				**1,048,165**
Deferred tax liabilities				**21,338,716**
Consolidated total liabilities				**280,661,109**
Other information				
Additions to non-current assets	**20,969,603**	**4,077,426**	**25,047,029**	**25,047,029**
Depreciation	**23,494,435**	**8,605,915**	**32,100,350**	**32,100,350**
Amortisation of land use right lease payments	**547,454**	**11,804**	**559,258**	**559,258**
Non-cash expenses other than depreciation and impairment losses	**3,193,696**	**478,328**	**3,672,024**	**3,672,024**
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

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

34. SEGMENTAL INFORMATION (CONT'D.)

(a) Product segments (cont'd.):

	Tissue RM	Personal care RM	Amalgamation RM	Consolidated RM
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 prepaid land lease payments	534,136	11,805	545,941	545,941
Non-cash expenses other than depreciation and impairment losses	(41,535)	–	(41,535)	(41,535)

(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 and New Zealand.

	Total revenue from external customers		Segment assets		Additions to non-current assets	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**	**2017 RM**	**2016 RM**
Malaysia	**466,611,419**	432,622,300	**601,274,912**	568,881,828	**21,221,118**	23,799,059
Singapore	**78,743,499**	78,436,337	**19,332,499**	19,257,405	**1,390,226**	85,837
Vietnam	**13,645,190**	3,483,524	**89,464,027**	81,376,405	**2,435,685**	1,503,853
Others *	**86,253,461**	87,163,341	**13,968,823**	13,117,743	**–**	–
Consolidated	**645,253,569**	601,705,502	**724,040,261**	682,633,381	**25,047,029**	25,388,749

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

Information about major customers

Revenue from 7 (2016: 7) major customers amounting to RM110,591,263 (2016: RM124,132,405) arose from sales made from the tissue segment.

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 April 2017 were authorised for issue in accordance with a resolution of the directors on 10 August 2017.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

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	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Total retained profits of the Company and its subsidiaries				
- Realised	**267,336,188**	238,397,231	**13,605,989**	19,377,065
- Unrealised	**(15,398,996)**	(11,378,850)	**76,941**	97,970
Add: Consolidation adjustments	**22,323,928**	24,330,372	**–**	–
	274,261,120	251,348,753	**13,682,930**	19,475,035

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 30.4.17 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 38	Freehold industrial land	NTPM	30.4.2017	81,424,738
2	Lot 642, Grant No. 2263, Mukim 8, Seberang Perai Selatan, Penang.	A parcel of agricultural land.	52,100	–	Freehold agricultural land	NTPM	30.4.2017	1,680,000
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 6 to 21	Leasehold industrial land for a term of 60 years expiring on 22.10.2047	NTPM	30.4.2017	1,650,000
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 15	Freehold industrial land except for Lot 794 which is a freehold agricultural land	NTPM	30.4.2017	23,465,000

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 30.4.17 RM
5	H.S.(D) 224308 PTD No. 41665 Senai-Kulai, Johor Bahru, Johor.	An office and warehouse complex.	4,390/ 1,593	14	Freehold land	NTPM	30.4.2017	2,280,000
6	No 5, Jalan Tiang U8/93, Bukit Jelutong Industrial Park, Shah Alam, Selangor.	An office and warehouse complex.	10,000/ 5,950	Between 7 to 12	Freehold industrial land	NTPM	30.4.2017	16,700,000
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/ 9365	3	Freehold land	NTPM	30.4.2017	5,980,262
8	Lot 1138 Mukim 8, Seberang Perai Selatan, Penang.	Vacant freehold land.	2,344	–	Freehold land	NTPM	30.4.2017	140,000
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 8 to 9	Leasehold industrial land for a term of 60 years expiring on 1.6.2050	NTPC	30.4.2017	5,740,000
10	Lot 192, G.M. 423, Mukim Senai, Kulaijaya, Johor	Vacant industrial land.	21,094	–	Freehold land	NTPM	30.4.2017	4,540,000

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 30.4.17 RM
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	6	Leasehold industrial land for a term of 99 years expiring on 24.11.2107	NTPM	30.4.2017	5,505,000
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 5 to 6	Leasehold industrial land for a term of 66 years expiring in 8.4.2059 & 22.3.2053	NTPM (Bentong)	30.4.2017	7,780,000
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	3	Freehold land	NTPM	30.4.2017	14,680,000
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	3	Leasehold industrial land for a term of 45 years expiring in 19.3.2058	NVCL	30.4.2017	24,061,139
15	HS(D) 18622 PT 6543, Mukim Sungai Karang, District of Kuantan, State of Pahang	Vacant industrial land.	11,768	–	Freehold land	NTPM	30.4.2017	3,100,000
								198,726,139

Note: * date of acquisition

ANALYSIS OF **SHAREHOLDINGS**
AS AT 31 JULY 2017

Issued Shares : 1,123,280,000 Ordinary Shares ("Shares")
Class of Equity Securities : Ordinary Shares ("Shares")
Voting Rights : One (1) vote per Share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

No. of Shareholders	Size of shareholdings	Total Shareholdings	%#
46	Less than 100	1,680	*
327	100 - 1,000	220,690	0.02
1,820	1,001 - 10,000	9,882,860	0.88
1,033	10,001 to 100,000	33,501,896	2.98
272	100,001 to less than 5% of issued shares	636,548,728	56.68
2	5% and above of issued shares	442,964,146	39.44
3,500		1,123,120,000	100.00

Excluding 80,000 shares which are currently held as treasury shares.
* 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	316,252,949	28.16
2	LEE CHONG CHOON	126,711,197	11.28
3	KOTA BERAS SENDIRIAN BERHAD	52,371,922	4.66
4	TEOH TEIK LIN	49,362,978	4.40
5	B. T. TEOH HOLDINGS SDN. BHD.	38,000,012	3.38
6	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	20,625,200	1.84
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	20,289,400	1.81
8	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FORCREDIT SUISSE (SG BR-TST-ASING)	20,240,014	1.80
9	UOBM NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR TEOH BOON BENG @ TEOH ENG KUAN(AST))	18,737,100	1.67
10	WU, KUN-CHIN	16,187,600	1.44
11	NG INN BEO	13,449,421	1.20
12	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD – KENANGA GROWTH FUND	13,148,600	1.17
13	TEOH PENG HEONG & SONS SDN. BHD.	12,940,000	1.15
14	AMANAHRAYA TRUSTEES BERHAD PB SMALLCAP GROWTH FUND	12,502,500	1.11
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	12,406,700	1.10

ANALYSIS OF **SHAREHOLDINGS** (CONT'D)
AS AT 31 JULY 2017

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	%#
16	HSBC NOMINEES (ASING) SDN BHD (TNTC FOR APOLLO ASIA FUND LTD)	12,245,500	1.09
17	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 12)	11,850,200	1.06
18	GINNY TEOH CHOOI SEAN	11,616,000	1.03
19	TEOH BOON TEONG	10,710,000	0.95
20	TAN KIA SIEW	10,000,000	0.89
21	TEOH BEE NEE	10,000,000	0.89
22	TEOH YEW NEE	10,000,000	0.89
23	TAN KIA CHUAN	9,600,000	0.85
24	TAN KIA MENG	8,957,639	0.80
25	TEOH HOOI NEE	8,740,000	0.78
26	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – DBS BANK LTD FOR TEOH TEIK TOE	8,213,400	0.73
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KENANGA)	7,893,400	0.70
28	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	7,429,600	0.66
29	AMANAHRAYA TRUSTEES BERHAD	6,843,200	0.61
30	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSDANA AL-ILHAM	6,148,200	0.55

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect Interest		
Name of Substantial Shareholders	No. of Shares held	%#	No. of Shares held	%#	Note
Lee See Jin	316,252,949	28.16	138,469,382	12.33	a
Lee Chong Choon	132,111,197	11.76	–	–	
Teoh Teik Lin	49,362,978	4.40	52,371,922	4.66	b
Dato' Teoh Boon Beng @ Teoh Eng Kuan	20,125,800	1.79	163,654,914	14.57	c

Notes :
a. Deemed interests through his spouse and children pursuant to Section 59(11)(C) of the Companies Act 2016 ("Act").
b. By virtue of his interest in Kota Beras Sdn Bhd ("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 59(11)(C) of the Act.

ANALYSIS OF **SHAREHOLDINGS** (CONT'D)
AS AT 31 JULY 2017

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest		
Name of Directors	**No. of Shares held**	**%#**	**No. of Shares held**	**%#**	**Note**
Dato' Teoh Boon Beng @ Teoh Eng Kuan	20,125,800	1.79	163,654,914	14.75	a
Lee See Jin	316,252,949	28.16	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)	49,362,978	4.40	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 59(11)(C) of the Act.

b. Deemed interests through his spouse and children pursuant to Section 59(11)(C) 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 & children's pursuant to Section 59(11)(C) of the Act.

INTERESTS IN THE RELATED CORPORATION

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

Save as disclosed above, none of the other Directors in office has any interest in shares in the Company's related corporations as at 31 July 2017.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Twenty-first (21st) Annual General Meeting ("AGM") 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 Thursday, 21 September 2017 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 2017 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 2)**
2. To approve the declaration of a Single Tier Final Dividend of 0.80 sen per Ordinary Share for the financial year ended 30 April 2017. **Resolution 1**
3. To re-elect Mr. Lim Han Nge who is retiring in accordance with Article 133 of the Company's Constitution and being eligible, is offering himself for re-election. **Resolution 2**
4. To re-appoint the following Directors who are retiring at the conclusion of the 21st AGM of the Company: -
   (i) Dato' Teoh Boon Beng @ Teoh Eng Kuan; and **Resolution 3**
   (ii) Mr. Lee See Jin. **Resolution 4**
5. To approve the payment of Directors' fees of RM360,000 for the financial year ended 30 April 2017. **Resolution 5**
6. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next AGM 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:-
Payment of benefits payable to the Directors

"**THAT** the benefit payable to the Directors of the Company up to an amount of RM45,000 for the period from 31 January 2017 until the next Annual General Meeting ("AGM") of the Company or the expiration of the period within which the next AGM is required to be held, whichever is earlier, be and is hereby approved." **Resolution 7**

7.2 Ordinary Resolution:-
Proposed renewal of share buy-back authority for the Company to purchase its own ordinary shares of up to 10% of its total number of issued shares ("Proposed Renewal of Share Buy-Back Mandate")

"THAT, subject to the Companies Act, 2016 ("the Act"), the provisions of the Company's Constitution, 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 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 and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of purchase;

(b) the maximum fund to be utilised by the Company for the purpose of purchasing the Shares under the Proposed Renewal of Share Buy-Back Mandate shall not exceed the Company's aggregate retained profits;

(c) the 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,

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D.)

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 in their absolute discretion to deal with the Shares so purchased by the Company in the following manner:-

i) to cancel all or part of such Shares;
ii) to retain all or part of treasury shares;
iii) to retain all or part of such Shares as treasury shares and subsequently cancel, resell on Bursa Securities or distribute as dividends all or part of such treasury shares; and/or
iv) to deal with in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Securities and/or 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 8**

7.3 Ordinary Resolution:-
Mandate for the following Directors who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Directors of the Company

(i) "**THAT** subject to the passing of Ordinary Resolution 2, 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 9**

(ii) "**THAT** approval be and is hereby given to Mr. Chang Kong Foo, 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 10**

7.4 Special Resolution:-
Proposed Amendments to the Memorandum and Articles of the Association of the Company ("Constitution")("Proposed Amendments")

"THAT the existing Memorandum and Articles of Association ("Constitution") of the Company be amended in the manner and to the extent as set out in the Circular to Shareholders dated 30 August 2017, be and are hereby approved

THAT the regulations contained in the new Constitution reproduced in their entirety in relation to the Proposed Amendments be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

AND THAT the Directors and/or Secretaries of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments and adoption of the new Constitution of the Company." **Resolution 11**

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a Single Tier Final Dividend of 0.80 sen per Ordinary Share in respect of the financial year ended 30 April 2017, if approved by members of the Company, will be paid on 17 October 2017 to the shareholders who names appear in the Record of Depositors on 29 September 2017.

A Depositor shall qualify for entitlement to the dividend only in respect of:-
(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 29 September 2017 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.

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D.)

By Order of the Board,

THUM SOOK FUN (MIA 24701)
LOW SEOW WEI (MAICSA 7053500)
Company Secretaries

Penang
Dated: 30 August 2017

Notes: -

1) Appointment of proxy

(i) For the purpose of determining a member who shall be entitled to attend, speak and vote at this 21st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Paragraph 7.16 (2) of the Listing Requirements, a Record of Depositors as at 15 September 2017 ("General Meeting Record of Depositors") and a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at the meeting or appoint proxy to attend, speak and vote in his/her stead.

(ii) A member entitled to attend and vote at the meeting is entitled to appoint two (2) proxies to attend and vote in his or her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his/her shareholdings to be represented by each proxy.

(iii) A proxy may but need not to be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(iv) 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 Georgetown, Pulau Pinang not less than 48 hours before time appointed for holding the meeting or at any adjournment thereof.

(v) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. 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.

(vi) Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus Account"), there shall be no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds. Where an EAN appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless EAN specifies the proportion of its shareholding to be represented by each proxy.

(vii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice will be put to vote by way of a poll.

2) Audited Financial Statements for the financial year ended 30 April 2017

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act, 2016 ("Act") does not require a formal approval for the Audited Financial Statements from the shareholders of the Company and hence, Agenda 1 is not put forward for voting.

3) Final dividend

With reference to Section 131 of the Act, a company may only make a distribution to the shareholders out of profits of the Company available if the Company is solvent. On 23 June 2017, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 17 October 2017 in accordance with the requirements under Section 132(2) and (3) of the Act.

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D.)

4) Re-election of Director

Article 133 of the Company's Constitution states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each Annual General Meeting ("AGM"). All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

In determining the eligibility of the Director to stand for re-election at the 21st AGM, the Nominating Committee ("NC") has considered the following: -

(i) Evaluation on the effectiveness of the Individual Directors, the Board as a whole and all Board Committees; and
(ii) For Independent Non-Executive Directors ("INEDs") only, the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

In line with Recommendation 3.1 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), the Board has conducted a separate assessment of independence of the INEDs, the evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Statement of the Annual Report 2017 of the Company.

Based on the foregoing, the Board approved the NC's recommendation for the re-election of the retiring Director pursuant to Article 133 of the Company's Constitution at the forthcoming AGM of the Company. At the relevant Board meeting, the retiring Director has consented to his re-election and abstained from deliberation as well as decision on his own eligibility to stand for re-election.

5) Re-appointment of Directors

Dato' Teoh Boon Beng @ Teoh Eng Kuan and Mr. Lee See Jin were re-appointed as Directors of the Company at the Twentieth AGM held on 23 September 2016 pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of this AGM. Resolutions 3 and 4, if passed, will enable them to continue their office as Directors of the Company following the conclusion of this AGM. The Act (which repealed the Companies Act, 1965) no longer requires the continuation in office by a director over 70 years of age to be subject to shareholders' approval at each AGM. Accordingly, if Resolutions 3 and 4 are passed, Dato' Teoh Boon Beng @ Teoh Eng Kuan's and Mr. Lee See Jin's continuation in office will thereafter be subject to retirement by rotation pursuant to the Company's Constitution.

6) Payment of Directors' fees

The proposed Directors' fees of RM360,000 to be paid to all Independent Non-Executive Directors of the Company for the financial year ended 30 April 2017 which is subject to approval by the shareholders at the 21st AGM.

7) Re-appointment of Auditors

The Board had at its meeting held on 23 June 2017 approved the recommendation by the Audit Committee ("AC") on the re-appointment of Messrs. Ernst & Young as Auditors of the Company. The Board and AC collectively agreed that Messrs. Ernst & Young has met the relevant criteria prescribed by Paragraph 15.21 of Main Market Listing Requirements of Bursa Securities.

The AC have assessed the suitability and independence of the External Auditors and recommended the re-appointment of Messrs. Ernst & Young as External Auditors of the Company for the financial year ending 30 April 2018. The Board has in turn reviewed the recommendation of the AC and recommended the same be tabled to the shareholders for approval at the forthcoming AGM of the Company under Resolution 6. The evaluation criteria adopted as well as the process of assessment by the AC and Board, respectively, have been duly elaborated in the Corporate Governance Statement of the Annual Report 2017 of the Company.

8) Payment of Directors' benefits made payable to the Directors

Section 230(1) of the Act which came into effect on 31 January 2017, provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek for shareholders' approval at the 21st AGM for the payment of Directors' benefit payable to the Directors:-

i) Resolution 7 on the benefits payable to the Directors pursuant to Section 230(1)(b) of the Act for the applicable period from 31 January 2017 to the next AGM ("Relevant Period"). The benefits comprise of Directors and Officers Liabilities Insurance and the meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors.

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D.)

9) Proposed Renewal of Share Buy-Back Authority

The proposed adoption of the Resolution No. 8 is to renew the authority granted by the shareholders of the Company at the Twentieth ("20th") AGM of the Company held on 23 September 2016. 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 total number of issued shares of the Company at the time of purchase by utilizing the funds allocated which shall not exceed the aggregate retained profits 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.

For further information, please refer to the Share Buy-Back Statement dated 30 August 2017, which is dispatched together with the Company's Annual Report 2017.

10) Mandate for Mr. Lim Han Nge and Mr. Chang Kong Foo to continue to act as Independent Non-Executive Directors

Pursuant to the 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 Directors who have served in that capacity for more than 9 years.

The Nomination Committee has at the annual assessment assessed the independence of Mr. Lim Han Nge and Mr. Chang Kong Foo who had served more than 9 years. Both Directors have remained objective and independent in expressing their views and in participating in deliberation and decision making of the Board and Board Committees. Their length of services on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Company. In addition, Mr. Lim Han Nge and Mr. Chang Kong Foo had individually confirmed and declared in writing that they are Independent Directors and they have satisfied all the criteria of an Independent Directors set out in Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board has therefore recommended that the approval of the shareholders be sought to re-appoint Mr. Lim Han Nge and Mr. Chang Kong Foo as Independent Non-Executive Directors.

The full details of the Board's justifications to retain Mr. Lim Han Nge and Mr. Chang Kong Foo as Independent Directors are set out in the Statement on Corporate Governance in the Company's Annual Report.

Subject to the passing of Resolution 2, the Resolution 9, if passed, will enable the Company to retain Mr. Lim Han Nge as Independent Non-Executive Director.

While if the Resolution 10 is passed, will enable the Company to retain Mr. Chang Kong Foo as Independent Non-Executive Director.

11) Proposed Amendments to the Constitution of the Company

The Resolution 11, if passes, will bring the Company's Constitution in line with the enforcement of the Companies Act 2016 and to enhance administrative efficiency. The Proposed Amendments are set out in the Circular to Shareholders dated 30 August 2017.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 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.

STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING
(PURSUANT TO PARAGRAPH 8.27(2) OF THE LISTING REQUIREMENTS)

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 21st AGM.

No. of Ordinary Shares held

NTPM HOLDINGS BERHAD
(384662-U)

*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 Twenty-first ("21st") Annual General Meeting ("AGM") of the Company to be held at Bukit Jawi Golf Resort, 691, Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Pulau Pinang on Thursday, 21 September 2017 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.

No.	Resolutions	First Proxy		Second Proxy	
		For	Against	For	Against
	Ordinary Resolution				
1.	To approve the declaration of a Single Tier Final Dividend of 0.80 sen per Ordinary Share for the financial year ended 30 April 2017.				
2.	To re-elect Mr. Lim Han Nge 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 2017.				
6.	To re-appoint Messrs. Ernst & Young as Auditors.				
7.	Payment of benefit payable to the Directors.				
8.	Proposed Renewal of Share Buy-Back Mandate.				
9.	Mandate for Mr. Lim Han Nge to continue to act as an Independent Non-Executive Director of the Company.				
10.	Mandate for Mr. Chang Kong Foo to continue to act as an Independent Non-Executive Director of the Company.				
	Special Resolution				
11.	Proposed Amendments to the Constitution of the Company.				

* strike out whichever not applicable.

Note : Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Annual General Meeting for the full purpose and intent of the Resolutions to be passed.

______________________________ Signed this__________day of ____________, 2017.

Signature(s) / Common Seal of Shareholder(s)

Notes:

(i) For the purpose of determining a member who shall be entitled to attend, speak and vote at this 21st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Paragraph 7.16 (2) of the Listing Requirements, a Record of Depositors as at 15 September 2017 ("General Meeting Record of Depositors") and a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at the meeting or appoint proxy to attend, speak and vote in his/her stead.

(ii) A member entitled to attend and vote at the meeting is entitled to appoint two (2) proxies to attend and vote in his or her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his/her shareholdings to be represented by each proxy.

(iii) A proxy may but need not to be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(iv) 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 Georgetown, Pulau Pinang not less than 48 hours before time appointed for holding the meeting or at any adjournment thereof.

(v) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. 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.

(vi) Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus Account"), there shall be no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds. Where an EAN appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless EAN specifies the proportion of its shareholding to be represented by each proxy.

(vii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice will be put to vote by way of a poll.

(viii) Any alteration in this Form must be initialed.

Fold here

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Stamp

TO **Company Secretaries**
NTPM Holdings Berhad (384662-U)
Suite 18.05, MWE Plaza
No. 8, Lebuh Farquhar,
10200 Georgetown, Penang, Malaysia

Fold here


OUR BRANDS:-
PREMIER®
Cutie®
ROYAL GOLD®
CONV®
INTIMATE®
DIAPEX®
ecoworld®

NTPM HOLDINGS BERHAD (384662-U)

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