



NTPM HOLDINGS BERHAD

(Company No. 384662 U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding	To Date	Corresponding
	31 Jan 2017	31 Jan 2016	31 Jan 2017	31 Jan 2016
	RM'000	RM'000	RM'000	RM'000
Revenue	170,367	161,023	486,007	457,050
Operating profit	23,914	25,484	61,929	69,684
Interest income	162	209	372	412
Interest expense	(1,291)	(1,438)	(3,825)	(4,727)
Profit before tax	22,785	24,255	58,476	65,369
Income tax expense	(7,294)	(6,599)	(17,561)	(17,749)
Profit net of tax	15,491	17,656	40,915	47,620
Profit attributable to:				
Owners of the parent	15,491	17,656	40,915	47,620
Non-controlling interests	-	-	-	-
	15,491	17,656	40,915	47,620
Basic/Diluted earnings per ordinary share (sen)	1.4	1.6	3.6	4.2

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

The accompanying notes are an integral part of this statement.



NTPM HOLDINGS BERHAD

(Company No. 384662 U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	31 Jan 2017	31 Jan 2016	31 Jan 2017	31 Jan 2016
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	15,491	17,656	40,915	47,620
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	405	(1,105)	1,208	2,587
Total comprehensive income for the period	15,896	16,551	42,123	50,207
Total comprehensive income attributable to:				
Owners of the parent	15,896	16,551	42,123	50,207
Non-controlling interests	-	-	-	-
	15,896	16,551	42,123	50,207

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

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NTPM HOLDINGS BERHAD

(Company No. 384662 U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Jan 2017	31 Jan 2016	31 Jan 2017	31 Jan 2016
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(162)	(209)	(372)	(412)
(b) Other income including investment income	(428)	(299)	(1,134)	(964)
(c) Interest expense	1,291	1,438	3,825	4,727
(d) Depreciation and amortisation	8,179	7,467	24,282	22,306
(e) Impairment loss on receivables	155	194	656	502
(f) Reversal of provision for and write off of inventories	-	-	(6)	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Reversal of impairment of assets	-	-	-	-
(i) Foreign exchange loss	201	3,361	1,123	5,120
(j) Loss/(Gain) on derivatives	485	(2,739)	770	(143)

The Notes to Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

The accompanying notes are an integral part of this statement.



NTPM HOLDINGS BERHAD

(Company No. 384662 U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 Jan 2017	(Audited) As at 30 April 2016
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	367,495	368,753
LAND USE RIGHTS	23,153	21,487
DEFERRED TAX ASSETS	743	465
	<u>391,391</u>	<u>390,705</u>
CURRENT ASSETS		
Inventories	128,725	131,392
Trade receivables	113,211	97,673
Other receivables	19,250	14,539
Cash and bank balances	50,106	50,999
	<u>311,292</u>	<u>294,603</u>
TOTAL ASSETS	<u>702,683</u>	<u>685,308</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(56)	(47)
RESERVES	313,807	298,639
TOTAL EQUITY	<u>426,071</u>	<u>410,912</u>
NON-CURRENT LIABILITIES		
BORROWINGS	51,869	29,715
DEFERRED TAX LIABILITIES	19,448	18,137
RETIREMENT BENEFIT OBLIGATIONS	2,966	2,706
	<u>74,283</u>	<u>50,558</u>
CURRENT LIABILITIES		
Retirement benefit obligations	6	6
Borrowings	107,674	127,805
Trade payables	31,113	31,050
Other payables	62,220	63,092
Tax payable	438	1,776
Derivative liabilities	878	109
	<u>202,329</u>	<u>223,838</u>
TOTAL LIABILITIES	<u>276,612</u>	<u>274,396</u>
TOTAL EQUITY AND LIABILITIES	<u>702,683</u>	<u>685,308</u>
Net Assets per share based on ordinary shares of RM0.10 per each (RM)	<u>0.38</u>	<u>0.37</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

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NTPM HOLDINGS BERHAD
(Company No. 384662 U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Nine Months Ended 31 January 2017

	← Attributable to owners of the parent →				Non-controlling Interest	Total Equity	
	Non-distributable		Distributable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2016	112,320	(47)	47,291	251,348	410,912	-	410,912
Total comprehensive income for the period	-	-	1,208	40,915	42,123	-	42,123
Transactions with owners :							
Purchase of treasury shares	-	(9)	-	-	(9)	-	(9)
Dividends	-	-	-	(26,955)	(26,955)	-	(26,955)
Total transactions with owners :	-	(9)	-	(26,955)	(26,964)	-	(26,964)
At 31 January 2017	112,320	(56)	48,499	265,308	426,071	-	426,071

Nine Months Ended 31 January 2016

	← Attributable to owners of the parent →				Non-controlling Interest	Total Equity	
	Non-distributable		Distributable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2015	112,320	(29)	45,369	202,666	360,326	-	360,326
Total comprehensive income for the period	-	-	2,587	47,620	50,207	-	50,207
Transactions with owners :							
Purchase of treasury shares	-	(8)	-	-	(8)	-	(8)
Dividends	-	-	-	-	-	-	-
Total transactions with owners :	-	(8)	-	-	(8)	-	(8)
At 31 January 2016	112,320	(37)	47,956	250,286	410,525	-	410,525

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016

The accompanying notes are an integral part of this statement.



NTPM HOLDINGS BERHAD

(Company No. 384662 U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	9 months ended 31 Jan 2017 RM'000	9 months ended 31 Jan 2016 RM'000
OPERATING ACTIVITIES		
Profit before tax	58,476	65,369
Adjustments for:		
Amortisation of land use rights	418	414
Bad debts written off	192	111
Depreciation	23,864	21,892
Interest expense	3,825	4,727
Interest income	(372)	(412)
Inventories written (back)/down	(6)	-
Loss on disposal of property, plant and equipment	3	238
Net fair value (gain)/ loss on derivatives	770	(143)
Plant and equipment written off	67	46
Increase in liability for defined benefit plan	330	286
Impairment loss on loan and receivables	464	391
Unrealised foreign exchange loss	753	576
Total adjustments	30,308	28,126
Operating cash flows before changes in working capital	88,784	93,495
Changes in working capital		
Increase in receivables	(4,674)	(10,068)
Decrease in inventories	3,860	7,657
Decrease in payables	(21,696)	(11,842)
Decrease in retirement benefit obligations	(70)	(59)
Total changes in working capital	(22,580)	(14,312)
Cash flows from operations	66,204	79,183
Interest paid	(3,825)	(4,727)
Tax paid	(17,624)	(11,758)
Tax refunded	-	537
Net cash flow (used in)/ generated from operating activities	44,755	63,235
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,634)	(19,883)
Interest received	372	412
Proceeds from disposal of plant and equipment	48	615
Net cash used in investing activities	(16,214)	(18,856)
FINANCING ACTIVITIES		
Net change in bank borrowings	17,823	(38,882)
Repayment of term loans	(22,902)	(16,198)
Drawdown of term loans	-	40,000
Dividends paid to shareholders	(26,955)	-
Purchase of treasury shares	(9)	(8)
Net cash (used in)/ generated from financing activities	(32,043)	(15,088)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(3,502)	29,291
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	50,999	37,350
Effects of exchange rate changes	2,609	1,160
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	50,106	67,801
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	31,482	23,348
Deposits with licensed banks:		
Fixed deposit	12,585	11,592
Short term placements	6,039	32,861
	50,106	67,801

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

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NTPM HOLDINGS BERHAD
(Company No. 384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

NOTES TO THE INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2016.

2. Significant accounting policies

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 30 April 2016 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2016:

- Annual Improvements to MFRSs 2012 – 2014 Cycle
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants
- Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 127: Equity Method in Separate Financial Statements
- Amendments to MFRS 101: Disclosure Initiatives
- Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception
- MFRS 14: Regulatory Deferral Accounts

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

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



NTPM HOLDINGS BERHAD
(Company No. 384662-U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

NOTES TO THE INTERIM FINANCIAL REPORT

Description	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 12: Disclosure of Interests in Other Entities	1 January 2017
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 128: Investments in Associates And Joint Ventures	1 January 2018
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
MFRS 15: Clarification to MFRS 15	1 January 2018
MFRS 16: Leases	1 January 2019

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application other than for MFRS 15 Revenue from Contracts with Customers and MFRS 9 Financial Instruments. The Group is still in the progress of assessing the financial impact of MFRS 15, MFRS 16 and MFRS 9.

3. Significant Accounting Estimates And Judgements

(a) Critical Judgements Made in Applying Accounting Policies

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

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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.



NTPM HOLDINGS BERHAD

(Company No. 384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

NOTES TO THE INTERIM FINANCIAL REPORT

(i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unused reinvestment allowance to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowance 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. The total carrying value of unrecognised tax losses and capital allowances of the Group was RM62.2 million (30.4.2016: RM48.8 million).

(ii) Depreciation of plant and equipment

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

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 April 2016 was not subject to any audit qualification.

5. Seasonal or cyclical factors

The business of the Group was not affected by any significant seasonal or cyclical factors during the financial period under review.

6. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period.

7. Changes in estimates

There were no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current year.



NTPM HOLDINGS BERHAD
(Company No. 384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

NOTES TO THE INTERIM FINANCIAL REPORT

8. Debt and equity securities

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial period except for the following:

During the financial period, the Company had repurchased a total of 10,000 ordinary shares of RM0.10 each of its issued share capital from the open market for a total consideration (inclusive of transaction cost) of RM8,640 at an average cost of RM0.86 per share.

The repurchase transactions were financed by internally generated fund. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965. As at 31 January 2017, the total number of treasury shares held were 70,000 or 0.0062% of the total paid up share capital of the Company.

9. Dividend paid

The single tier first interim dividend of 16% amounting to RM17,970,080 in respect of the financial year ended 30 April 2017 on 1,123,130,000 ordinary shares of RM0.10 each (1.60sen per share) was paid on 6 January 2017.

10. Segment information

Segment information is presented in respect of the Group's two core products based operating segments.

Segment information for the period ended 31 January 2017 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	337,046	148,961	486,007
Segment profit	45,174	13,302	58,476
Included in the measure of segment profit are			
- depreciation and amortisation	17,879	6,403	24,282
- non-cash expenses other than depreciation and amortisation	1,916	586	2,502
Segment assets	543,913	158,770	702,683
Included in the measure of segment assets is			
- capital expenditure	12,870	3,764	16,634



NTPM HOLDINGS BERHAD
(Company No. 384662-U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

NOTES TO THE INTERIM FINANCIAL REPORT

Segment information for the period ended 31 January 2016 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	315,159	141,891	457,050
Segment profit	54,001	11,368	65,369
Included in the measure of segment profit are			
- depreciation and amortisation	17,619	4,687	22,306
- non-cash expenses other than depreciation and amortisation	1,096	349	1,445
Segment assets	564,820	143,019	707,839
Included in the measure of segment assets is			
- capital expenditure	10,489	9,394	19,883

11. Valuation of property, plant and equipment

The valuations of land and building have been brought forward, without amendment from the annual financial statements for the year ended 30 April 2016. The carrying value is based on a valuation carried out on 30 April 2012 by independent qualified valuers less depreciation.

During the period, the acquisition and disposal of property, plant and equipment amounted to RM16.6 million and RM0.05 million respectively.

12. Significant and subsequent events to the balance sheet date

There were no significant material and subsequent events at the end of the financial period ended 31 January 2017 that have not been reflected in the interim financial statements as at the date of this report.

13. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current financial quarter and financial period to date.



NTPM HOLDINGS BERHAD
(Company No. 384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

NOTES TO THE INTERIM FINANCIAL REPORT

14. Changes in corporate guarantees, contingent liabilities or contingent assets

The corporate guarantees of the Company are as follows:

	As at 31.01.2017	As at 30.04.2016
	RM'000	RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	<u>159,543</u>	<u>157,520</u>



NTPM HOLDINGS BERHAD
(Company No. 384662-U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

NOTES TO THE INTERIM FINANCIAL REPORT

**PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING
REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

15. Review of performance

	Individual quarter ended		Cumulative period ended	
	31.01.2017	31.01.2016	31.01.2017	31.01.2016
	RM'000	RM'000	RM'000	RM'000
Revenue				
Paper Products	119,259	114,220	337,046	315,159
Personal Care Products	51,108	46,803	148,961	141,891
Group	170,367	161,023	486,007	457,050
Profit before tax				
Paper Products	18,127	21,915	45,174	54,001
Personal Care Products	4,658	2,340	13,302	11,368
Group	22,785	24,255	58,476	65,369

Group

Group revenue for the period ended 31 January 2017 was RM486.0 million compared with RM457.0 million for the period ended 31 January 2016, an increase of 6.3%. The increase in revenue was mainly due to the increase in sales of tissue products. The Group's profit before taxation for the period ended 31 January 2017 was RM58.5 million, a decrease of 10.6% over RM65.4 million registered in the previous financial period ended 31 January 2016. The decrease in profit before taxation was mainly due to higher losses incurred in the post commencement of Vietnam's initial tissue operation and margin deterioration as a result of higher raw material cost, energy and labour costs recorded in the current financial period. Higher selling, distribution and advertisement cost has further reduced the profitability of the Group during the current financial period.

Paper Products segment

Revenue from the paper products segment for the period ended 31 January 2017 was RM337.0 million compared with RM315.2 million for the financial period ended 31 January 2016, an increase of 6.9%. Profit before taxation in the paper products segment for the period ended 31 January 2017 was RM45.2 million, a decrease of 16.3% over RM54.0 million registered in the previous financial period. The decrease in profit before taxation was mainly due to higher losses incurred in the post commencement of Vietnam's tissue operation and margin deterioration as a result of higher energy and labour costs recorded in the current financial



NTPM HOLDINGS BERHAD
(Company No. 384662-U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

NOTES TO THE INTERIM FINANCIAL REPORT

period. Higher selling and distribution cost has further reduced the profitability of the paper products segment during the current financial quarter.

Personal Care Products segment

Revenue from the personal care products segment for the period ended 31 January 2017 was RM149.0 million compared with RM141.9 million recorded in the previous year corresponding period, an increase of 5.0%. Profit before taxation in the personal care products segment for the period ended 31 January 2017 was RM13.3 million, an increase of 16.7% over RM11.4 million registered in the corresponding period of the previous financial year. The increase in profit before taxation was mainly due to the increase in sales.

16. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	31.01.2017	31.10.2016	RM'000	%
	RM'000	RM'000		
Revenue	170,367	164,210	6,157	3.7
Profit before tax	22,785	21,677	1,108	5.1

Revenue for the quarter ended 31 January 2017 increased by RM6.2 million or 3.7% while profit before taxation increased by RM1.1 million or 5.1% for the current quarter as compared to the preceding quarter. The increase in profit before taxation was mainly attributable to higher sales revenue.

17. Prospects

In general, Malaysia's economy grew 4.5 per cent in the fourth quarter of 2016 from a year earlier, ending a year of tepid growth on a stronger note helped by solid exports and resilient domestic demand. However, full-year 2016 growth slowed to 4.2 per cent, compared to 5.0 per cent in 2015 and the lowest annual figure since the economy contracted in 2009.

Based on these prevailing trends as described above, there are also various key challenges facing the Group in the coming financial year ending 30 April 2017 ("FY2017"). For a start, we would have felt the full impact on the increased in electricity and natural gas tariffs effective 1 January 2016 by approximately 4.6% and 21.9% respectively in FY2017. Apart from increasing cost arising from the raise the minimum wage for employees in Peninsular Malaysia by RM100 to RM1,000 per month, and to RM920 from RM800 for employees in East Malaysia starting from 1 July 2016, the recent increased volatility in the foreign currency exchange rate, pose a challenge for the Group to contain and monitor its manufacturing cost. Malaysia's consumer sentiment is expected to remain low attributed to



NTPM HOLDINGS BERHAD
(Company No. 384662-U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

NOTES TO THE INTERIM FINANCIAL REPORT

inflationary pressures, higher cost of living, cooling property market and prices of goods and services that have cut into buying power.

In light of these challenges, the Group has strategic plans and control measures put in place to mitigate the impact from these adverse conditions. Several cost-savings projects have been identified and approved to improve the Group's operational efficiency and keep a tight rein on costs to drive down waste and inefficiencies across the group's business units. We are looking into ways to strengthen our customer base and improve our distribution channel. The Group is also looking at developing new products and opportunity to venture into new business segments if the expansion synergizes with the Group's current business model. With this in place, the Board is cautiously optimistic about its prospect.

18. Variance of actual profit from profit forecast

Not applicable.

19. Taxation

	Current Quarter 3 months ended 31 January 2017 RM'000	Year-to-date 9 months ended 31 January 2017 RM'000
Income tax		
Current year	6,068	16,068
Prior year	469	469
	<u>6,537</u>	<u>16,537</u>
Deferred tax		
Current year	938	1,205
Prior year	(181)	(181)
	<u>7,294</u>	<u>17,561</u>

The Group's effective tax rate for the current quarter/period to date is higher than the statutory tax rate principally due to the deferred tax assets not recognised on unutilized tax loss and capital allowance for some of the subsidiaries of the companies.

20. Status on corporate proposals

There were no significant corporate proposals for the current financial period to date.



NTPM HOLDINGS BERHAD

(Company No. 384662-U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

NOTES TO THE INTERIM FINANCIAL REPORT

21. Group borrowings

**31 January 2017
RM'000**

Non-current

Unsecured

Long Term Revolving Credit (RC)	12,600
Long term loans	39,269
	<u>51,869</u>

Current

Unsecured

Bankers' Acceptance (BA)	-
Revolving Credit (RC)	62,852
Term loans	44,822
	<u>107,674</u>

The above borrowings are denominated in Ringgit Malaysia except for the following which are denominated in US Dollar :

**31 January 2017
RM'000**

Revolving Credit ("RC")	75,452
Term Loans (Current & Non-Current)	29,999
	<u>105,451</u>

22. Derivatives financial instruments

Forward foreign exchange contracts are entered into by the Group in currencies other than their functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Group's policy is to hedge all excess amount of receivables against payables.

As at 31 January 2017, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

Foreign Currency	Outstanding Contract Amount		Fair Value RM'000	Derivative Assets/ (Liabilities) RM'000	Maturity Date
	FC '000	RM'000			
<u>Non-Hedging Derivatives</u>					
<u>Bank Buy</u>					
Singapore Dollar	4,320	13,459	13,539	(80)	7 May 2017 – 14 Jul 2017
US Dollar	3,047	12,768	13,566	(798)	15 Mar 2017 – 5 Sep 2017



NTPM HOLDINGS BERHAD

(Company No. 384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

NOTES TO THE INTERIM FINANCIAL REPORT

Derivatives financial instruments that are not designated or do not qualify for hedge accounting are categorised as fair value through profit or loss and measured at their fair value with the gain or loss recognized in the profit or loss. During the current financial quarter and financial period ended 31 January 2017, the Group recognised a loss on derivative of RM485,000 and RM770,000 respectively arising from fair value changes of financial derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

The Group will fund the requirements of these derivatives from its net cash flow from operating activities when payments fall due.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group nor the related accounting policies for the financial period ended 31 January 2017. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for the financial year ended 30 April 2016.

23. Material litigation

There was no pending material litigation as at the date of this quarterly report.

24. Dividend

The single tier first interim dividend of 16% amounting to RM17,970,080 in respect of the financial year ended 30 April 2017 on 1,123,130,000 ordinary shares of RM0.10 each (1.60sen per share) was paid on 6 January 2017.

In the corresponding financial period ended 31 January 2016, a single tier interim dividend of 8.0% amounting to RM8,985,120 in respect of the financial year ended 30 April 2016 on 1,123,140,000 ordinary shares of RM0.10 each (0.80sen per share) was paid on 22 April 2016.

The total net dividend per share to date for the current financial year is 1.60sen (2016: 0.80sen).



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INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017

NOTES TO THE INTERIM FINANCIAL REPORT

25. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the quarter/period by the weighted average number of ordinary shares during the financial quarter/period.

	3 Months Period Ended		9 Months Period Ended	
	31 January		31 January	
	2017	2016	2017	2016
Net profit attributable to shareholders (RM'000)	15,491	17,656	40,915	47,620
Weighted average number of ordinary shares in issue ('000)	1,123,130	1,123,150	1,123,136	1,123,155
Basic earnings per share (sen)	1.4	1.6	3.6	4.2

26. Realised and Unrealised Profits/Losses

The retained profits of the Group are analysed as follows: -

	As at	As at
	31/01/2017	30/04/2016
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries : -		
-Realised	251,938	236,990
-Unrealised	(11,610)	(9,972)
	<hr/>	<hr/>
	240,328	227,018
Add/(Less) : Consolidation adjustments	24,980	24,330
Total group retained profits as per consolidated accounts	<hr/>	<hr/>
	265,308	251,348

By Order of the Board

Company Secretary

DATED THIS 10th DAY OF MARCH, 2017