NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2018

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Oct 2018	31 Oct 2017	31 Oct 2018	31 Oct 2017
	RM'000	RM'000	RM'000	RM'000
Revenue	**177,943**	**169,269**	**350,346**	**345,419**
Operating profit	**9,697**	**11,024**	**22,547**	**30,022**
Interest income	80	327	177	505
Interest expense	(3,096)	(1,404)	(5,553)	(2,703)
Profit before tax	**6,681**	**9,947**	**17,171**	**27,824**
Income tax expense	(3,070)	(3,585)	(6,978)	(9,343)
Profit net of tax	**3,611**	**6,362**	**10,193**	**18,481**
Profit attributable to:				
Owners of the parent	3,611	6,362	10,193	18,481
Non-controlling interests	-	-	-	-
	3,611	**6,362**	**10,193**	**18,481**
Basic/Diluted earnings per ordinary share (sen)	0.3	0.6	0.9	1.6

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2018.

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 OCTOBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Oct 2018	31 Oct 2017	31 Oct 2018	31 Oct 2017
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	3,611	6,362	10,193	18,481
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent period:				
Foreign currency translation	(572)	(43)	(1,045)	564
Cash flow hedges	-	-	-	-
Transfer to income statement upon disposal	-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent period:				
Remeasurement losses on defined benefit plans	-		-	
Revaluation of land and buildings	-	-	-	-
Total comprehensive income for the period	**3,039**	**6,319**	**9,148**	**19,045**
Total comprehensive income attributable to:				
Owners of the parent	3,039	6,319	9,148	19,045
Non-controlling interests	-	-	-	-
	3,039	**6,319**	**9,148**	**19,045**

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2018.

The accompanying notes are an integral part of this statement.

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Oct 2018	31 Oct 2017	31 Oct 2018	31 Oct 2017
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(80)	(327)	(177)	(505)
(b) Other income including investment income	(502)	(425)	(858)	(729)
(c) Interest expense	3,096	1,404	5,553	2,703
(d) Depreciation and amortisation	8,285	8,303	16,492	16,543
(e) Impairment loss on receivables	211	201	360	351
(f) Reversal of provision for and write off of inventories	-	-	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange (gain) / loss	1,510	(1,052)	(999)	(448)
(j) Loss/(Gain) on derivatives	(70)	(127)	85	(10)

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 2018.

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 OCTOBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 Oct 2018	(Audited) As at 30 April 2018
	RM'000	**RM'000**
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	471,028	411,458
LAND USE RIGHTS	20,526	20,159
DEFERRED TAX ASSETS	8,282	470
	499,836	432,087
CURRENT ASSETS		
Inventories	193,136	180,882
Trade receivables	107,625	102,859
Tax receivable	11,855	6,874
Other receivables	54,204	39,615
Derivative assets	2	86
Cash and bank balances	40,272	47,208
	407,094	377,524
TOTAL ASSETS	906,930	809,611
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(104)	(78)
RESERVES	346,750	346,587
TOTAL EQUITY	458,966	458,829
NON-CURRENT LIABILITIES		
BORROWINGS	133,555	55,642
DEFERRED TAX LIABILITIES	29,958	25,233
RETIREMENT BENEFIT OBLIGATIONS	3,894	3,648
	167,407	84,523
CURRENT LIABILITIES		
Retirement benefit obligations	18	18
Borrowings	180,888	164,661
Trade payables	31,381	38,387
Other payables	58,548	62,454
Tax payable	9,722	739
Derivative liabilities	-	-
	280,557	266,259
TOTAL LIABILITIES	447,964	350,782
TOTAL EQUITY AND LIABILITIES	906,930	809,611
Net Assets per share (RM)	0.41	0.41

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2018.

The accompanying notes are an integral part of this statement.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Six Months Ended 31 October 2018

	← 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	RM'000
At 1 May 2018	112,320	(78)	69,571	277,016	458,829	-	458,829
Total comprehensive income for the period	-		(1,045)	10,193	9,148	-	9,148
Transactions with owners :							
Purchase of treasury shares	-	(26)	-	-	(26)	-	(26)
Dividends	-		-	(8,985)	(8,985)	-	(8,985)
Total transactions with owners :	-	(26)	-	(8,985)	(9,011)	-	(9,011)
At 31 October 2018	**112,320**	**(104)**	**68,526**	**278,224**	**458,966**	**-**	**458,966**

Six Months Ended 31 October 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	RM'000
At 1 May 2017	112,320	(64)	59,584	274,261	446,101	-	446,101
Total comprehensive income for the period	-	-	564	18,481	19,045	-	19,045
Transactions with owners :							
Purchase of treasury shares	-	(8)	-	-	(8)	-	(8)
Dividends	-	-	-	(17,970)	(17,970)	-	(17,970)
Total transactions with owners :	-	(8)	-	(17,970)	(17,978)	-	(17,978)
At 31 October 2017	**112,320**	**(72)**	**60,148**	**274,772**	**447,168**	**-**	**447,168**

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2018

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 OCTOBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	6 months ended 31 Oct 2018 RM'000	6 months ended 31 Oct 2017 RM'000
OPERATING ACTIVITIES		
Profit before tax	17,171	27,824
Adjustments for:		
Amortisation of land use rights	265	278
Bad debts written off	61	51
Depreciation	16,227	16,265
Interest expense	5,553	2,703
Interest income	(177)	(505)
Inventories written back	-	-
(Gain)/ loss on disposal of property, plant and equipment	(25)	12
Net fair value loss/ (gain) on derivatives	85	(10)
Plant and equipment written off	38	38
Increase in liability for defined benefit plan	344	232
Impairment loss on loan and receivables	299	300
Impairment loss on plant & equipments	-	-
Deficit on revaluation	-	-
Short term accumulating compensated absences	-	-
Unrealised foreign exchange loss	3,459	1,088
Total adjustments	26,129	20,452
Operating cash flows before changes in working capital	43,300	48,276
Changes in working capital		
Increase in receivables	(21,572)	(30,225)
Increase/ (decrease) in inventories	(11,378)	11,323
Decrease in payable	(22,047)	(11,011)
Decrease in retirement benefit obligations	(98)	(46)
Total changes in working capital	(55,095)	(29,959)
Cash flows from operations	(11,795)	18,317
Interest paid	(5,553)	(2,703)
Tax paid	(6,082)	(7,937)
Tax refunded	16	-
Net cash flow used in operating activities	(23,414)	7,677
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(72,438)	(20,110)
Interest received	177	505
Proceeds from disposal of plant and equipment	97	56
Net cash used in investing activities	(72,164)	(19,549)
FINANCING ACTIVITIES		
Net change in bank borrowings	49,479	16,514
Repayment of term loans	(5,727)	(10,004)
Drawdown of term loans	53,570	-
Repayment of obligations under finance lease	(100)	(101)
Dividends paid to shareholders	(8,985)	(17,970)
Purchase of treasury shares	(26)	(8)
Net cash generated from financing activities	88,211	(11,569)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(7,367)	(23,441)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	47,208	65,578
Effects of exchange rate changes	431	52
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	40,272	42,189
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	25,697	28,259
Deposits with licensed banks:		
Fixed deposit	11,314	11,460
Short term placements	3,261	2,470
	40,272	42,189

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 May 2018 RM'000	Cash Flows RM'000	Non- Cash Changes Foreign exchange movement RM'000	Carrying amount as at 31 Oct 2018 RM'000
Short term borrowings	164,661	20,034	-3,807	180,888
Term Loan	55,642	77,188	725	133,555
Total liabilities from financing activities	220,303	97,222	-3,082	314,443

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2018.

The accompanying notes are an integral part of this statement.

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 2018. 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 2018.

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 2018 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2018:

- Annual Improvements to MFRS Standards 2014–2016 Cycle (Amendments to MFRS 1 and MFRS 128)
- Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 140: Transfers of Investment Property
- IC Interpretation 22: Foreign Currency Transactions and Advance Consideration
- MFRS 9: Financial Instruments
- MFRS 15: Revenue from Contracts with Customers
- MFRS 15: Clarification to MFRS 15

Adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group, except as disclosed below:

<u>MFRS 15 Revenue from Contracts with Customers</u>

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.

NOTES TO THE INTERIM FINANCIAL REPORT

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.

The Group has adopted the new standard on the required effective date using the modified retrospective method and apply all the practical expedients available for the modified retrospective approach. The adoption of this Standard results in changes in accounting policies for revenue recognition and has no significant impact other than the disclosures in the Group's financial statements.

<u>MFRS 9 Financial Instruments</u>

MFRS 9 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 Group has performed a detailed impact assessment of all three aspects of MFRS 9.

Based on the assessment, there was no significant impact on the accounting for Group's financial assets upon initial application of the new classification requirements.

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.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2015–2017 Cycle	
(i) Amendments to MFRS 3 Business Combinations: Previously Held Interest in a Joint Operation	1 January 2019
(ii) Amendments to MFRS 11 Joint Arrangements: Previously Held Interest in a Joint Operation	1 January 2019
(iii) Amendments to MFRS 112 Income Tax: Income Tax Consequences of Payments on Financial Instruments Classified as Equity	1 January 2019
(iv) Amendments to MFRS 123 Borrowing Costs: Borrowing Costs Eligible for Capitalisation	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative	

NOTES TO THE INTERIM FINANCIAL REPORT

Description	Effective for annual periods beginning on or after
Compensation	1 January 2019
Amendments to MFRS 128: Long- term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
MFRS 16: Leases	1 January 2019
Amendments to MFRS 2 Share-Based Payment	1 January 2020
Amendment to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendment to MFRS 14 Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendment to MFRS 138 Intangible Assets	1 January 2020
Amendment to IC Interpretation 12 Service Concession Arrangements	1 January 2020
Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132 Intangible Assets—Web Site Costs	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
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 MFRS16 leases. The Group is still in the progress of assessing the financial impact of MFRS16 leases.

NOTES TO THE INTERIM FINANCIAL REPORT

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 operating 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, 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 RM96.1 million (30.4.2018: RM91.7 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.

(iii) 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.

(iv) 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.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 April 2018 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 year.

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.

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.

NOTES TO THE INTERIM FINANCIAL REPORT

9. Dividend paid

The single tier final dividend of 0.80 sen per ordinary share in respect of the financial year ended 30 April 2018 amounting to RM8,985,097 was paid on 10 October 2018.

The total net dividend per share to date for the current financial year is 0.80 sen (2018: 2.40 sen)

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 October 2018 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	252,953	97,393	350,346
Segment profit	5,781	11,390	17,171
Included in the measure of segment profit are			
- depreciation and amortisation	11,882	4,610	16,492
- non-cash expenses other than depreciation and amortisation	(2,622)	122	(2,500)
Segment assets	759,183	147,747	906,930
Included in the measure of segment assets is			
- capital expenditure	71,391	1,047	72,438

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

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	239,444	105,975	345,419
Segment profit	20,647	7,177	27,824

NOTES TO THE INTERIM FINANCIAL REPORT

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Included in the measure of segment profit are			
- depreciation and amortisation	12,083	4,460	16,543
- non-cash expenses other than depreciation and amortisation	3,109	365	3,474
Segment assets	576,519	152,569	729,088
Included in the measure of segment assets is			
- capital expenditure	17,859	2,251	20,110

11. Valuation of property, plant and equipment

The carrying value of land and building is based on the latest valuation performed on 30 April 2018 by independent qualified valuers.

During the period, the acquisition and disposal of property, plant and equipment amounted to RM72.4 million and RM0.07 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 October 2018 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.

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

The corporate guarantees of the Company are as follows:

		As at 31.10.2018 RM'000	As at 30.04.2018 RM'000
(a)	Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	314,443	220,303

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	
	31.10.2018	31.10.2017	31.10.2018	31.10.2017
	RM'000	RM'000	RM'000	RM'000
Revenue				
Paper Products	129,465	115,420	252,953	239,444
Personal Care Products	48,478	53,849	97,393	105,975
Group	177,943	169,269	350,346	345,419
Profit before tax				
Paper Products	1,047	6,447	5,781	20,647
Personal Care Products	5,634	3,500	11,390	7,177
Group	6,681	9,947	17,171	27,824

Group

Group revenue for the period ended 31 October 2018 was RM350.3 million compared with RM345.4 million for the period ended 31 October 2017, an increase of 1.4%. The increase was mainly due to the increase in sales of Tissue segment, especially to export sales. The Group's profit before taxation for the period ended 31 October 2018 was RM17.2 million, a decrease of 38.3% over RM27.8 million registered in the previous financial period ended 31 October 2017. The decrease in profit before taxation was mainly due to the higher raw material cost and labour cost recorded in the current period. Higher energy cost has further reduced the profitability of the Group.

Paper Products segment

Revenue from the paper products segment for the period ended 31 October 2018 was RM253 million compared with RM239.4 million for the financial period ended 31 October 2017, a decrease of 5.6%. Profit before taxation in the paper products segment for the period ended 31 October 2018 was RM5.78 million, a decrease of 72% over RM20.6 million registered in the previous financial period. The key factors that affect the performance of tissue products include the higher cost in raw material such as virgin pulp and waste paper, labour cost and higher energy cost recorded in the current financial period.

Personal Care Products segment

Revenue from the personal care products segment for the period ended 31 October 2018 was RM97.4 million compared with RM106 million recorded in the previous year corresponding period, a decrease of 8.1%. Profit before taxation in the personal care products segment for the period ended 31 October 2018 was RM11.4 million, an increase of 58.7% over RM7.2 million registered in the corresponding period of the previous financial year.

16. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	31.10.2018	31.7.2018		
	RM'000	RM'000	RM'000	%
Revenue	177,943	172,403	5,540	3.2
Profit before tax	6,681	10,490	(3,809)	(36.3)

Revenue for the quarter ended 31 October 2018 increased by RM5.5 million or 3.2% while profit before taxation decreased by RM3.8 million or 36.3% for the current quarter as compared to the preceeding quarter. The unfavourable result for the current quarter was mainly attributable to recognition of realized foreign exchange loss, higher labour cost and and energy cost recorded in the current quarter.

17. Prospects

The global tissue market paper is expected to grow at a compounded annual growth rate of close to 6% during the period of 2018 to 2022. Factor such as the growing population and increasing awareness about hygiene in the developing countries will have positive influence on the global tissue paper market. The key focus in FY19 is to increase production of tissue paper in order to fulfill the increasing demand in South East Asia and other export markets.

In FY19, the market competition is expected to be more challenging. However, with its 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. With this in place, the Board is cautiously optimistic about its prospect.

NOTES TO THE INTERIM FINANCIAL REPORT

18. Variance of actual profit from profit forecast

Not applicable.

19. Taxation

	Current Quarter 3 months ended 31 October 2018 RM'000	Year-to-date 6 months ended 31 October 2018 RM'000
Income tax		
Current year	5,249	10,066
Prior year	-	-
	5,249	10,066
Deferred tax		
Current year	(2,179)	(3,088)
Prior year	-	-
	3,070	6,978

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.

NOTES TO THE INTERIM FINANCIAL REPORT

21. Group borrowings

	31 October 2018 RM'000
Non-current	
Unsecured	
Revolving Credit (RC)	25,944
Long term loans	107,556
Secured	
Hire purchase and finance Lease	55
	133,555
Current	
Unsecured	
Bankers' acceptance	58,457
Revolving Credit (RC)	81,630
Term loans	37,252
Trust Receipt	3,330
Secured	
Hire purchase and finance Lease	219
	180,888

The borrowings are denominated in the following currencies:

	31 October 2018 RM'000			
	Ringgit Malaysia	Singapore Dollar	US Dollar	Total
Bankers' acceptance	58,457	-	-	58,457
Revolving Credit ("RC")	28,000	-	79,574	107,574
Term Loans	87,598	-	57,210	144,808
Trust Receipt		3,330	-	3,330
Hire Purchase		274	-	274
	174,055	3,604	136,784	311,443

NTPM (Singapore) Pte Ltd ("NSPL") has 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 term loan and revolving credit has been presented under current liabilities as at 31 October 2018. The bank has the absolute discretion to revise or recall banking facilities in the event of breach of covenant. NSPL has submitted a waiver application in respect of the breach of covenant.

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.

As at 31 October 2018, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

Type of Derivatives	Contract Amount RM'000	Fair Value RM'000
Non-Hedging Derivatives		
Bank Buy		
SG Dollar		
Less than 1 year	11,042	11,040

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, the Group recognised a gain on derivative of RM70,000 and loss RM85,000 during the financial period ended 31 October 2018 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 October 2018. 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 2018.

23. Material litigation

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

NOTES TO THE INTERIM FINANCIAL REPORT

24. Dividend

The single tier final dividend of 0.80 sen per ordinary share in respect of the financial year ended 30 April 2018 amounting to RM8,985,097 was paid on 10 October 2018.

A single tier interim dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2019 has been declared on 7 December 2018 and is to be paid on 15 January 2019 to depositors registered in the records of Depositors at the close of business on 24 December 2018. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the quarter ending 30 April 2019.

The total net dividend per share to date for the current financial year is 0.80 sen (2018: 2.40 sen)

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 31 October		6 Months Period Ended 31 October	
	2018	**2017**	**2018**	**2017**
Net profit attributable to shareholders (RM'000)	3,611	6,362	10,193	18,481
Weighted average number of ordinary shares in issue ('000)	1,123,082	1,123,116	1,123,091	1,123,118
Basic earnings per share (sen)	0.3	0.6	0.9	1.6

By Order of the Board

Company Secretary

DATED THIS 7th December, 2018