



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

### CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (4 <sup>th</sup> Q)		Cumulative Quarter (12 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 April 2019	30 April 2018	30 April 2019	30 April 2018
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>182,174</b>	<b>164,519</b>	<b>728,050</b>	<b>690,928</b>
<b>Operating profit</b>	<b>999</b>	<b>5,684</b>	<b>34,678</b>	<b>49,717</b>
Interest income	105	157	381	755
Interest expense	(2,531)	(2,007)	(11,513)	(6,113)
<b>Profit before tax</b>	<b>(1,427)</b>	<b>3,834</b>	<b>23,546</b>	<b>44,359</b>
Income tax expense	(3,425)	(2,654)	(14,584)	(14,649)
<b>Profit net of tax</b>	<b>(4,852)</b>	<b>1,180</b>	<b>8,962</b>	<b>29,710</b>
<b>Profit attributable to:</b>				
Owners of the parent	(4,852)	1,180	8,962	29,710
Non-controlling interests	-	-	-	-
	<b>(4,852)</b>	<b>1,180</b>	<b>8,962</b>	<b>29,710</b>
Basic/Diluted earnings per ordinary share (sen)	(0.4)	0.1	0.8	2.6

*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.*



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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

#### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (4th Q)		Cumulative Quarter (12 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 April 2019	30 April 2018	30 April 2019	30 April 2018
	RM'000	RM'000	RM'000	RM'000
<b>Profit net of tax</b>	(4,852)	1,180	8,962	29,710
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(596)	119	(504)	1,615
Cash flow hedges	-	-	-	-
Transfer to income statement upon disposal	-	-	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period:</i>				
Remeasurement losses on defined benefit plans	-	(204)	-	(204)
Revaluation of land and buildings	7,753	8,576	7,753	8,576
<b>Total comprehensive income for the period</b>	<b>2,305</b>	<b>9,671</b>	<b>16,211</b>	<b>39,697</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	2,305	9,671	16,211	39,697
Non-controlling interests	-	-	-	-
	<b>2,305</b>	<b>9,671</b>	<b>16,211</b>	<b>39,697</b>

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

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## NTPM HOLDINGS BERHAD

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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

#### NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (4th Q)		Cumulative Quarter (12 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 April 2019	30 April 2018	30 April 2019	30 April 2018
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(105)	(157)	(381)	(755)
(b) Other income including investment income	(895)	(356)	(2,556)	(1,369)
(c) Interest expense	2,531	2,007	11,513	6,113
(d) Depreciation and amortisation	6,352	5,422	31,242	30,229
(e) Impairment loss on receivables	(334)	(318)	175	156
(f) Reversal of provision for and write off of inventories	260	2,514	(184)	2,514
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	2,794	-	2,794
(i) Foreign exchange loss/ (gain)	(1,269)	1,295	91	(688)
(j) (Gain)/ loss on derivatives	(64)	87	97	54

*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.*

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**NTPM HOLDINGS BERHAD**

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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited) As at 30 April 2019	(Audited) As at 30 April 2018
	<u>RM'000</u>	<u>RM'000</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	515,932	411,458
LAND USE RIGHTS	20,169	20,159
DEFERRED TAX ASSETS	1,278	470
	<u>537,379</u>	<u>432,087</u>
<b>CURRENT ASSETS</b>		
Inventories	195,748	180,882
Trade receivables	106,546	102,859
Tax receivable	8,601	6,874
Other receivables	37,889	39,615
Derivative assets	-	86
Cash and bank balances	45,277	47,208
	<u>394,061</u>	<u>377,524</u>
<b>TOTAL ASSETS</b>	<u>931,440</u>	<u>809,611</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(109)	(78)
RESERVES	344,828	346,587
<b>TOTAL EQUITY</b>	<u>457,039</u>	<u>458,829</u>
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	60,666	55,642
DEFERRED TAX LIABILITIES	25,031	25,233
RETIREMENT BENEFIT OBLIGATIONS	4,287	3,648
	<u>89,984</u>	<u>84,523</u>
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	38	18
Borrowings	279,253	164,661
Trade payables	37,778	38,387
Other payables	65,497	62,454
Tax payable	1,840	739
Derivative liabilities	11	-
	<u>384,417</u>	<u>266,259</u>
<b>TOTAL LIABILITIES</b>	<u>474,401</u>	<u>350,782</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>931,440</u>	<u>809,611</u>
Net Assets per share (RM)	<u>0.41</u>	<u>0.41</u>

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

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## NTPM HOLDINGS BERHAD

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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

#### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Twelve Months Ended 30 April 2019

	← 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 2018	112,320	(78)	69,571	277,016	458,829	-	458,829
Total comprehensive income for the period	-		7,249	8,962	16,211	-	16,211
Transactions with owners :							
Purchase of treasury shares	-	(31)	-	-	(31)	-	(31)
Dividends	-		-	(17,970)	(17,970)	-	(17,970)
Total transactions with owners :	-	(31)	-	(17,970)	(18,001)	-	(18,001)
<b>At 30 April 2019</b>	<b>112,320</b>	<b>(109)</b>	<b>76,820</b>	<b>268,008</b>	<b>457,039</b>	<b>-</b>	<b>457,039</b>

Twelve Months Ended 30 April 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	
At 1 May 2017	112,320	(64)	59,584	274,261	446,101	-	446,101
Total comprehensive income for the period	-	-	9,987	29,710	39,697	-	39,697
Transactions with owners :							
Purchase of treasury shares	-	(14)	-	-	(14)	-	(14)
Dividends	-		-	(26,955)	(26,955)	-	(26,955)
Total transactions with owners :	-	(14)	-	(26,955)	(26,969)	-	(26,969)
<b>At 30 April 2018</b>	<b>112,320</b>	<b>(78)</b>	<b>69,571</b>	<b>277,016</b>	<b>458,829</b>	<b>-</b>	<b>458,829</b>

*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*

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**INTERIM FINANCIAL REPORT  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	12 months ended 30 April 2019 RM'000	12 months ended 30 April 2018 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	23,546	44,359
Adjustments for:		
Amortisation of land use rights	532	543
Bad debts written off	188	147
Depreciation	30,710	29,686
Effect of exchange rate changes	-	-
Interest expense	11,513	6,113
Interest income	(381)	(755)
Inventories (reversal)/ written off	(184)	643
(Gain)/ loss on disposal of property, plant and equipment	(41)	(13)
Net fair value loss/ (gain) on derivatives	97	54
Plant and equipment written off	288	103
Increase in liability for defined benefit plan	881	553
Impairment loss on loan and receivables	(13)	37
Reversal of provision for legal liabilities	-	-
Impairment loss on plant & equipments	-	2,794
Deficit on revaluation	425	8
Short term accumulating compensated absences	250	82
Unrealised foreign exchange (gain)/ loss	(1,382)	3,459
Total adjustments	42,883	43,454
<b>Operating cash flows before changes in working capital</b>	66,429	87,813
Changes in working capital		
Decrease/ (increase) in receivables	10,238	(42,226)
Increase in inventories	(13,906)	(44,927)
(Decrease) / increase in payable	(8,974)	24,868
Decrease in retirement benefit obligations	(223)	(179)
Total changes in working capital	(12,865)	(62,464)
<b>Cash flows from operations</b>	53,564	25,349
Interest paid	(11,513)	(6,113)
Tax paid	(16,589)	(16,061)
Tax refunded	16	53
<b>Net cash flow generated from operating activities</b>	25,478	3,228
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(125,158)	(66,591)
Interest received	381	755
Proceeds from disposal of plant and equipment	222	175
<b>Net cash used in investing activities</b>	(124,555)	(65,661)
<b>FINANCING ACTIVITIES</b>		
Net change in bank borrowings	64,586	66,371
Repayment of term loans	(44,401)	(39,115)
Drawdown of term loans	94,414	44,671
Repayment of obligations under finance lease	(201)	(200)
Dividends paid to shareholders	(17,969)	(26,955)
Purchase of treasury shares	(31)	(13)
<b>Net cash generated from financing activities</b>	96,398	44,759
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,679)	(17,674)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	47,208	65,578
<b>Effects of exchange rate changes</b>	748	(696)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	45,277	47,208
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	24,874	26,104
Deposits with licensed banks:		
Fixed deposit	11,655	11,187
Short term placements	8,748	9,917
	45,277	47,208

**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 30 April 2019 RM'000
Short term borrowings	164,661	110,456	4,136	279,253
Long term borrowings	55,642	3,942	1,082	60,666
<b>Total liabilities from financing activities</b>	220,303	114,398	5,218	339,919

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

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

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### 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:

##### 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.



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### 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.

#### MFRS 9 Financial Instruments

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 intend to adopt these standards, if applicable, when they become effective.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 Compensation	1 January 2019



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**INTERIM FINANCIAL REPORT  
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<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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
Definition of a Business (Amendments to MFRS 3 Business Combinations)	1 January 2020
Definition of Material (Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	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.



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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

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#### 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 RM90.4 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.



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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

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#### NOTES TO THE INTERIM FINANCIAL REPORT

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 except for the revaluation of land & buildings which were carried out by independent qualified valuers on 30 April 2019 which has resulted in the credit of net revaluation surplus amounting to RM7.75 million to Revaluation Reserves while deficit on the revaluation of certain properties amounting to RM0.4 million has been debited to the Income Statement.

#### 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.



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### **INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019**

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#### **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 60,000 ordinary shares of RM0.10 each of its issued share capital from the open market for a total consideration (inclusive of transaction cost) of RM31,693 at an average cost of RM0.68 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 127 of the Companies Act, 2016. As at 30 April 2019, the total number of treasury shares held were 160,000 or 0.014% of the total paid up share capital of the Company.

#### **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 RM8,984,800 was paid on 10 October 2018.

The single tier first interim dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2019 amounting to RM8,984,400 was paid on 15 January 2019.

The total net dividend per share to date for the current financial year is 1.60 sen (2018: 2.40 sen)



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 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 30 April 2019 are as follows:

	<b>Paper products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>			
Revenue from external customers	531,733	196,137	728,050
<b>Segment profit</b>	6,067	17,479	23,546
Included in the measure of segment profit are			
- depreciation and amortisation	22,166	9,076	31,242
- non-cash expenses other than depreciation and amortisation	(115)	(50)	(165)
<b>Segment assets</b>	788,105	143,335	931,440
Included in the measure of segment assets is			
- capital expenditure	123,109	2,049	125,158

Segment information for the period ended 30 April 2018 are as follows:

	<b>Paper products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>			
Revenue from external customers	481,568	209,360	690,928
<b>Segment profit</b>	27,114	17,245	44,359
Included in the measure of segment profit are			
- depreciation and amortisation	21,474	8,755	30,229
- non-cash expenses other than depreciation and amortisation	7,376	241	9,617
<b>Segment assets</b>	655,743	153,868	809,611
Included in the measure of segment assets is			
- capital expenditure	62,118	4,473	66,591



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 11. Valuation of property, plant and equipment

The carrying value of land and building is based on the latest valuation performed on 30 April 2019 by independent qualified valuers.

During the period, the acquisition and disposal of property, plant and equipment amounted to RM125.2 million and RM0.2 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 30 April 2019 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 30.04.2019	As at 30.04.2018
	RM'000	RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	339,919	220,303



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

### 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	
	30.04.2019	30.04.2018	30.04.2019	30.04.2018
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Paper Products	135,118	121,676	531,733	481,568
Personal Care Products	46,876	42,843	196,137	209,360
<b>Group</b>	181,994	164,519	728,050	690,928
<b>Profit before tax</b>				
Paper Products	(3,252)	(610)	6,067	27,114
Personal Care Products	1,825	4,444	17,479	17,245
<b>Group</b>	(1,427)	3,834	23,546	44,359

##### Group

Group revenue for the period ended 30 April 2019 was RM728 million compared with RM690.9 million for the period ended 30 April 2018, an increase of 5.4%. 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 30 April 2019 was RM23.5 million, a decrease of 46.9% over RM44.4 million registered in the previous financial period ended 30 April 2018. The decrease in profit before taxation was mainly due to the higher raw material cost recorded in the current period. Higher labour cost and energy cost has further reduced the profitability of the Group.

##### Paper Products segment

Revenue from the paper products segment for the period ended 30 April 2019 was RM531.7 million compared with RM481.6 million for the financial period ended 30 April 2018, an increase of 10.4%. Profit before taxation in the paper products segment for the period ended 30 April 2019 was RM6 million, a decrease of 77.6% over RM27 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. The price of pulp and waste paper has surged by about 50% since late 2016. Higher labour cost and higher energy cost recorded in the current financial period.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

**Personal Care Products segment**

Revenue from the personal care products segment for the period ended 30 April 2019 was RM196.1 million compared with RM209.4 million recorded in the previous year corresponding period, a decrease of 6.2%. Profit before taxation in the personal care products segment for the period ended 30 April 2019 was RM17.5 million, an increase of 1.35% over RM17.2 million registered in the corresponding period of the previous financial year.

**16. Comparison with immediate preceding quarter's results**

	Individual quarter ended		Variance	
	30.04.2019	31.01.2019	RM'000	%
	RM'000	RM'000		
Revenue	182,174	195,530	(13,356)	(6.8)
Profit before tax	(1,427)	7,803	(9,230)	(118.2)

Revenue for the quarter ended 30 April 2019 decreased by RM13.5 million or 6.8%. The decrease was mainly due to the decrease in sales especially Tissue segment. While, profit before taxation decreased by RM9.2 million or 118.2% for the current quarter as compared to the preceding quarter. The unfavourable result for the current quarter was mainly attributable to lower revenue 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.

**18. Variance of actual profit from profit forecast**

Not applicable.





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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 19. Taxation

	Current Quarter 3 months ended 30 April 2019 RM'000	Year-to-date 12 months ended 30 April 2019 RM'000
Income tax		
Current year	2,681	15,568
Prior year	(121)	369
	<u>2,560</u>	<u>15,937</u>
Deferred tax		
Current year	894	(1,290)
Prior year	(29)	(63)
	<u>3,425</u>	<u>14,584</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)  
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FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019****NOTES TO THE INTERIM FINANCIAL REPORT****21. Group borrowings**

	<b>30 April 2019</b>
	<b>RM'000</b>
<b>Non-current</b>	
<b>Unsecured</b>	
Long term loans	60,666
	<u>60,666</u>
<b>Current</b>	
<b>Unsecured</b>	
Bankers' acceptance	58,244
Onshore Foreign Currency Loan (OFCL)	8,469
Revolving Credit (RC)	122,587
Term loans	86,668
Trust Receipt	3,109
<b>Secured</b>	
Hire purchase and finance Lease	176
	<u>279,253</u>

The borrowings are denominated in the following currencies:

	<b>30 April 2019</b>			
	<b>RM'000</b>			
	<b>Ringgit Malaysia</b>	<b>Singapore Dollar</b>	<b>US Dollar</b>	<b>Total</b>
Bankers' acceptance	58,244	-	-	58,244
Hire Purchase	-	176	-	176
Onshore Foreign Currency Loan (OFCL)	-	-	8,469	8,469
Revolving Credit ("RC")	34,000	-	88,587	122,587
Term Loans	83,498	-	63,836	147,334
Trust Receipt	-	-	3,109	3,109
	<u>175,742</u>	<u>176</u>	<u>164,001</u>	<u>339,919</u>

As at 30 April 2019, NTPM (Singapore) Pte Ltd ("NSPL"), Nibong Tebal Paper Mill Sdn Bhd, Nibong Tebal Personal Care Sdn Bhd have breached certain financial covenant for 3 unsecured bank borrowings. Subsequent to the financial year end, the relevant borrowings have either been fully settled or partially settled. Consequently, the said subsidiaries are no longer in breach of the relevant financial covenant.



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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

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#### NOTES TO THE INTERIM FINANCIAL REPORT

#### 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 30 April 2019, 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
<i><u>Non-Hedging Derivatives</u></i>		
<i><u>Bank Buy</u></i>		
SG Dollar		
Less than 1 year	10,326	10,345
US Dollar		
Less than 1 year	3,686	3,678

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 RM64,000 and loss RM97,000 during the financial period ended 30 April 2019 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 30 April 2019. 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.



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2019

### 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 RM8,984,800 was paid on 10 October 2018.

The single tier first interim dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2019 amounting to RM8,984,400 was paid on 15 January 2019.

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 2019 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect the proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 April 2020.

The total net dividend per share to date for the current financial year is 1.60 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		12 Months Period Ended	
	30 April		30 April	
	2019	2018	2019	2018
Net profit attributable to shareholders (RM'000)	(4,355)	1,180	9,716	29,710
Weighted average number of ordinary shares in issue ('000)	1,123,047	1,123,106	1,123,070	1,123,156
Basic earnings per share (sen)	(0.4)	0.1	0.9	2.6

**By Order of the Board**

**Company Secretary**

**DATED THIS 26<sup>th</sup> June, 2019**