



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662 U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2020

CONDENSED CONSOLIDATED INCOME STATEMENTS

(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 2020	30 April 2019	30 April 2020	30 April 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	201,617	182,174	778,416	728,050
Operating profit	12,270	999	35,344	34,678
Interest income	84	105	319	381
Interest expense	(2,366)	(2,531)	(13,268)	(11,513)
Profit before tax	9,988	(1,427)	22,395	23,546
Income tax expense	(5,913)	(3,425)	(16,100)	(14,584)
Profit net of tax	4,075	(4,852)	6,295	8,962
Profit attributable to:				
Owners of the parent	4,075	(4,852)	6,295	8,962
Non-controlling interests	-	-	-	-
	4,075	(4,852)	6,295	8,962
Basic/Diluted earnings per ordinary share (sen)	0.4	(0.4)	0.6	0.8

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2019.

The accompanying notes are an integral part of this statement.



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662 U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2020

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (4th Q)		Cumulative Quarter (12 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding	To Date	Corresponding
	30 April 2020	Quarter	30 April 2020	Period
	30 April 2019	30 April 2019	30 April 2019	30 April 2019
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	4,075	(4,852)	6,295	8,962
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(3,218)	(596)	(2,437)	(504)
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	(477)	-	(477)	-
Revaluation of land and buildings	6,642	7,753	6,642	7,753
Effect of changes in Real Property Gain		(3,500)		(3,500)
Tax on revaluation of land				
Total comprehensive income for the period	7,022	(1,195)	10,023	12,711
Total comprehensive income attributable to:				
Owners of the parent	7,022	(1,195)	10,023	12,711
Non-controlling interests	-	-	-	-
	7,022	(1,195)	10,023	12,711

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2019.

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Company No. 199601012313 (384662 U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2020

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 2020	30 April 2019	30 April 2020	30 April 2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(84)	(105)	(319)	(381)
(b) Other income including investment income	(467)	(895)	(2,119)	(2,556)
(c) Interest expense	2,366	2,531	13,268	11,513
(d) Depreciation and amortisation	9,970	6,352	39,964	31,242
(e) Impairment loss on receivables	(74)	(334)	540	175
(f) Reversal of provision for and write off of inventories	-	260	-	(184)
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange loss/ (gain)	2,438	(1,269)	(938)	91
(j) Loss/ (gain) on derivatives	305	(64)	173	97
(k) Revaluation deficit in land and buildings	2,900	425	2,900	425

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 2019.

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2020**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 30 April 2020	(Audited) As at 30 April 2019
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	541,625	515,932
RIGHT OF USE	27,640	-
LAND USE RIGHTS	-	20,169
DEFERRED TAX ASSETS	499	533
	<u>569,764</u>	<u>536,634</u>
CURRENT ASSETS		
Inventories	220,634	195,748
Trade receivables	116,628	106,546
Tax receivable	7,506	8,601
Other receivables	62,103	37,889
Derivative assets	-	-
Cash and bank balances	48,773	45,278
	<u>455,644</u>	<u>394,062</u>
TOTAL ASSETS	<u>1,025,408</u>	<u>930,696</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(109)	(109)
RESERVES	333,382	341,328
TOTAL EQUITY	<u>445,593</u>	<u>453,539</u>
NON-CURRENT LIABILITIES		
BORROWINGS	58,416	60,666
DEFERRED TAX LIABILITIES	30,367	27,786
LEASE LIABILITIES	3,130	-
RETIREMENT BENEFIT OBLIGATIONS	5,118	4,287
	<u>97,031</u>	<u>92,739</u>
CURRENT LIABILITIES		
Retirement benefit obligations	54	38
Borrowings	369,546	279,253
Lease liabilities	1,860	-
Trade payables	35,480	37,778
Other payables	73,894	65,498
Tax payable	1,766	1,840
Derivative liabilities	184	11
	<u>482,784</u>	<u>384,418</u>
TOTAL LIABILITIES	<u>579,815</u>	<u>477,157</u>
TOTAL EQUITY AND LIABILITIES	<u>1,025,408</u>	<u>930,696</u>
Net Assets per share (RM)	<u>0.40</u>	<u>0.40</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2019.

The accompanying notes are an integral part of this statement.



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Company No. 199601012313 (384662 U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Twelve Months Ended 30 April 2020

	← 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 2019	112,320	(109)	73,523	267,805	453,539	-	453,539
Total comprehensive income for the period	-	-	3,728	6,295	10,023	-	10,023
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(17,969)	(17,969)	-	(17,969)
Total transactions with owners :	-	-	-	(17,969)	(17,969)	-	(17,969)
At 30 April 2020	112,320	(109)	77,251	256,131	445,593	-	445,593

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)	69,775	276,812	458,829	-	458,829
Total comprehensive income for the period	-	-	3,748	8,963	12,711	-	12,711
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)
At 30 April 2019	112,320	(109)	73,523	267,805	453,539	-	453,539

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2019

The accompanying notes are an integral part of this statement.



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662 U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2020**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	12 months ended 30 April 2020 RM'000	12 months ended 30 April 2019 RM'000
OPERATING ACTIVITIES		
Profit before tax	22,395	23,546
Adjustments for:		
Amortisation of land use rights	-	532
Bad debts written off	248	190
Depreciation	39,964	30,710
Interest expense	13,268	11,513
Interest income	(319)	(381)
Inventories written off	-	(239)
Gain on disposal of property, plant and equipment	(38)	(41)
Net fair value (gain)/ loss on derivatives	173	97
Plant and equipment written off	753	288
Increase in liability for defined benefit plan	268	839
Impairment loss on loan and receivables	292	(37)
Deficit on revaluation	2,900	425
Short term accumulating compensated absences	-	250
Unrealised foreign exchange loss	(2,798)	(1,382)
Total adjustments	54,711	42,764
Operating cash flows before changes in working capital	77,106	66,310
Changes in working capital		
Increase/ (decrease) in receivables	(27,278)	10,279
Increase in inventories	(23,631)	(13,852)
Decrease in payable	(4,522)	(8,968)
Decrease in retirement benefit obligations	(50)	(181)
Total changes in working capital	(55,481)	(12,722)
Cash flows (used in)/ from operations	21,625	53,588
Interest paid	(13,268)	(11,513)
Tax paid	(16,596)	(17,110)
Tax refunded	3,830	515
Net cash flow used in operating activities	(4,409)	25,480
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(58,351)	(125,158)
Acquisition of rights of use assets	(6,527)	-
Interest received	319	381
Proceeds from disposal of plant and equipment	322	222
Disposal of subsidiary	-	-
Net cash used in investing activities	(64,237)	(124,555)
FINANCING ACTIVITIES		
Net change in bank borrowings	84,463	114,397
Net change in obligations under leases	4,988	-
Dividends paid to shareholders	(17,969)	(17,969)
Purchase of treasury shares	-	(32)
Net cash generated from financing activities	71,482	96,396
NET DECREASE IN CASH AND CASH EQUIVALENTS	2,836	(2,679)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	45,278	47,208
Effects of exchange rate changes	659	749
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	48,773	45,278
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	31,638	24,874
Deposits with licensed banks:		
Fixed deposit	11,977	11,656
Short term placements	5,158	8,748
	48,773	45,278

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 May 2019 RM'000	Cash Flows RM'000	Non- Cash Changes Foreign exchange movement RM'000	Carrying amount as at 30 April 2020 RM'000
Loan and borrowing	339,919	84,463	3,580	427,962
Lease liabilities	-	4,988	2	4,990
Total liabilities from financing activities	339,919	89,451	3,582	432,952

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2019.

The accompanying notes are an integral part of this statement.



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Company No. 199601012313 (384662-U)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 April 2020

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 2019. 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 2019.

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 2019 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2019:

- MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)
- MFRS 16 Leases
- MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)
- Annual Improvements to MFRS Standards 2015–2017 Cycle
- MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)
- IC Interpretation 23 Uncertainty over Income Tax Treatments

The 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 16 Leases

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

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



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 April 2020

NOTES TO THE INTERIM FINANCIAL REPORT

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

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group adopted MFRS 16 using modified retrospective method of adoption with the date of initial application of 1 May 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial application of the standard recognised at the date of initial application.

Upon adoption of MFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group as shown below:

- i) Leases previously classified as finance leases under property, plant and equipment
The Group did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases. The requirements of MFRS 16 were applied to these leases from 1 May 2019. The Group recognised the carrying amount of the property, plant and equipment amounting to RM3,246,927 as at 30 April 2019 as the carrying amount of the right-of-use (“ROU”) assets at the date of initial application.
- ii) Leases previously classified as operating leases under land use rights
The Group did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as land use rights. The requirements of MFRS 16 were applied to these leases from 1 May 2019. The Group recognised the carrying amount of land use rights amounting to RM20,169,274 as at 30 April 2019 as the carrying amount of the ROU assets at the date of initial application.
- iii) Other leases previously classified as operating leases
The Group recognised ROU assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The ROU assets were recognised based on the amount equal to the lease liabilities, adjusted for any prepaid and accrued lease payment previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application. The Group has recognised ROU assets and lease liabilities of RM1,911,735 from these leases.

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.

Description	Effective for annual periods beginning on or after
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

**NTPM HOLDINGS BERHAD**

Company No. 199601012313 (384662-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 April 2020****NOTES TO THE INTERIM FINANCIAL REPORT**

Description	Effective for annual periods beginning on or after
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
Amendments to MFRS 3 Business Combinations- Definition of a Business	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Material	1 January 2020
Interest Rate Benchmark Reform (Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures)	1 January 2020
Covid-19-Related Rent Concessions (Amendment to MFRS 16 Leases)	1 June 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018–2020”	1 January 2022
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
Property, Plant and Equipment—Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
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.



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 April 2020

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 RM101.4 million (30.4.2019: RM121.3 million).

(ii) 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.

(iii) 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.



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 April 2020

NOTES TO THE INTERIM FINANCIAL REPORT

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 April 2019 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 except for the revaluation of land & buildings which were carried out by independent qualified valuers on 30 April 2020 which has resulted in the credit of net revaluation surplus amounting to RM6.69 million to Revaluation Reserves while deficit on the revaluation of certain properties amounting to RM2.9 million has been debited to the Income Statement.

7. Changes in estimates

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

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

8. Dividend paid

The single tier first interim dividend of 0.80 sen per ordinary share in respect of the financial year ended 30 April 2020 amounting to RM8,984,320 was paid on 20 April 2020.

The single tier final dividend of 0.80 sen per ordinary share in respect of the financial year ended 30 April 2019 amounting to RM8,984,320 was paid on 23 October 2019.

The total net dividend per share paid during the current financial year is 1.60 sen (2019: 1.60 sen).

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Company No. 199601012313 (384662-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 April 2020****NOTES TO THE INTERIM FINANCIAL REPORT****9. 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 2020 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	562,479	215,937	778,416
Result			
Segment results	20,762	14,582	35,344
Interest income	56,	262	318
Operating profit	20,818	14,844	35,662
Finance costs	(11,486)	(1,781)	(13,267)
Segment profit	9,332	13,063	22,395
Included in the measure of segment profit are			
- depreciation and amortisation	31,141	8,823	39,964
- non-cash expenses other than depreciation and amortisation	854	943	1,797
Segment assets	889,454	135,954	1,025,408
Included in the measure of segment assets is			
- capital expenditure	54,153	4,198	58,351

Segment information for the period ended 30 April 2019 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	531,733	196,317	728,050
Result			
Segment results	16,188	18,490	34,678
Interest income	360	21	381
Operating profit	16,548	18,511	35,059
Finance costs	(10,481)	(1,032)	(11,513)
Segment profit	6,067	17,479	23,546



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 April 2020

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	22,166	9,076	31,242
- non-cash expenses other than depreciation and amortisation	166	240	406
Segment assets	787,360	143,336	930,696
Included in the measure of segment assets is			
- capital expenditure	123,109	2,049	125,158

10. Valuation of property, plant and equipment

The carrying value of land and building is based on the latest valuation performed on 30 April 2020 by independent qualified valuers.

During the period, the acquisition and disposal of property, plant and equipment amounted to RM58.4 million and RM0.28 million respectively.

11. 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 2020 that have not been reflected in the interim financial statements as at the date of this report.

12. Changes in the composition of the Group

On 7 November 2019, Nibong Tebal Paper Mill Sdn. Bhd. ("NTPM"), a wholly owned subsidiary of the Group, acquired the entire paid-up share capital (3,000,000) of NTPM Paper Mill (Bentong) Sdn. Bhd. ("NTPM Bentong") from NTPM (Singapore) Pte. Ltd. After the acquisition, NTPM Bentong is now 100% owned by NTPM.

Other than the above, there were no other material changes in the composition of the Group during the current financial quarter.

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

The corporate guarantees of the Company are as follows:

	As at 30.04.2020 RM'000	As at 30.04.2019 RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	427,962	339,919

**NTPM HOLDINGS BERHAD**

Company No. 199601012313 (384662-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 April 2020****NOTES TO THE INTERIM FINANCIAL REPORT****PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A****14. Review of performance**

	Individual quarter ended		Cumulative period ended	
	30.04.2020	30.4.2019	30.04.2020	30.4.2019
	RM'000	RM'000	RM'000	RM'000
Revenue				
Paper Products	144,434	135,118	562,479	531,733
Personal Care Products	57,183	46,876	215,937	196,317
Group	201,617	181,994	778,416	728,050
Profit before tax				
Paper Products	4,942	(3,252)	9,332	6,067
Personal Care Products	5,046	1,825	13,063	17,479
Group	9,988	(1,427)	22,395	23,546

Group

Group revenue for the period ended 30 April 2020 was RM778.4 million compared with RM728.1 million for the period ended 30 April 2019, an increase of 6.9%. The increase was due to the increase in sales of both products, Tissue and Personal Care products. The Group's profit before taxation for the period ended 30 April 2020 was RM22.4 million, a decrease of 4.9% over RM23.5 million registered in the previous financial period ended 30 April 2019. The decrease in profit before taxation was mainly due to the higher cost of goods sold in the first half of the financial year 2020.

In the first period of six months of the financial period ended 30 April 2020, the performance of tissue products was affected by the higher cost of raw materials consumed (virgin pulp and waste paper) which were purchased earlier at a higher rate. This is because the older units are consumed and sold first and the newer units the most recent purchases with the lower rate are still on hand. However, in the second period of six months of the financial period ended 30 April 2020, the cost of raw materials consumed for tissue products was reduced.

The higher cost of goods sold for Personal Care Products have reduced the profitability of the Group. This was mainly due to the re-introduction of the Sales and Service Tax ("SST"). Under SST era, non-taxable products (Baby diapers, Sanitary napkin and UnderPad) have no input tax claimable and no exemption for material such as non-woven.



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 April 2020

NOTES TO THE INTERIM FINANCIAL REPORT

Paper Products segment

Revenue from the paper products segment for the period ended 30 April 2020 was RM562.5 million compared with RM531.7 million for the financial period ended 30 April 2019, an increase of 5.8%. Profit before taxation in the paper products segment for the period ended 30 April 2020 was RM9.3 million, an increase of 53.8% over RM6.1 million registered in the previous financial period. The increase in profit before taxation was mainly due to the lower cost of goods sold recorded especially in the second period of 6 months of the period ended 30 April 2020.

Personal Care Products segment

Revenue from the personal care products segment for the period ended 30 April 2020 was RM215.9 million compared with RM196.3 million recorded in the period ended 30 April 2019, an increase of 10%. Profit before taxation in the personal care products segment for the period ended 30 April 2020 was RM13 million, a decrease of 25.3% over RM17.5 million registered in the period ended 30 April 2019. The decrease in profit before taxation was mainly due to the higher raw material cost consumed recorded in the current period. The re-introduction of the Sales and Service Tax has increased the price of material. This was mainly due to no input tax claimable under SST and no exemption applicable to non-taxable products, e.g Baby diapers, Sanitary napkin and UnderPad products.

15. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	30.04.2020	31.01.2020	RM'000	%
	RM'000	RM'000		
Revenue	201,617	197,674	3,943	2.0
Profit before tax	9,988	7,385	2,603	35.2

Revenue for the quarter ended 30 April 2020 increased by RM3.9 million or 2.0%. The increase was mainly due to the increase in sales especially Personal Care Products segment. While, profit before taxation increased by RM2.6 million or 35.2% for the current quarter as compared to the preceding quarter. The increase in the Group's consolidated profit before taxation as compared to the preceding quarter was mainly due the lower raw material cost consumed recorded in the current quarter.

16. Prospects

The global tissue paper market is expected to grow supported by the factors, among others, the growing population and increasing awareness on hygiene in the developing countries. The COVID-19 pandemic presents a significant challenge given the uncertainties it has created for businesses and economy.

To-date, the Group has been able to take appropriate measures to continue its operation since the onslaught of COVID-19 and maintain its sound financial position. As can be seen from the increase



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662-U)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 April 2020

NOTES TO THE INTERIM FINANCIAL REPORT

in its revenue for the quarter ended 30 April 2020, the Group was able to meet the demand for tissue paper and personal care products in the markets it serves.

The Group will continuously take proactive measures to meet the changing environment and adapt to the new normal. The Group aims to optimise its production capability and product mix to meet the changing and increasing demand of its customers.

The Group is therefore cautiously optimistic in its prospect.

17. Variance of actual profit from profit forecast

Not applicable.

18. Taxation

	Current Quarter 3 months ended 30 April 2020 RM'000	Period-to-date 12 months ended 30 April 2020 RM'000
Income tax		
Current year	4,213	13,902
Prior year	-	(119)
	<u>4,213</u>	<u>13,783</u>
Deferred tax		
Current year	1,555	2,607
Prior year	145	(290)
	<u>5,913</u>	<u>16,100</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.

19. Status on corporate proposals

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

**NTPM HOLDINGS BERHAD**Company No. 199601012313 (384662-U)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 April 2020****NOTES TO THE INTERIM FINANCIAL REPORT****20. Group borrowings**

	30 April 2020 RM'000
Non-current	
Unsecured	
Long term loans	58,416
Current	
Unsecured	
Bankers' acceptance	65,407
Onshore Foreign Currency Loan (OFCL)	49,391
Revolving Credit (RC)	183,243
Term loans	70,210
Trust Receipt	1,295
	<u>427,962</u>

The borrowings are denominated in the following currencies:

	30 April 2020 RM'000		
	Ringgit Malaysia	US Dollar	Total
Bankers' acceptance	65,407	-	65,407
Onshore Foreign Currency Loan (OFCL)	-	49,391	49,391
Revolving Credit ("RC")	56,500	126,743	183,243
Term Loans	72,883	55,743	128,626
Trust Receipt	-	1,295	1,295
	<u>194,790</u>	<u>233,172</u>	<u>427,962</u>

As at 30 April 2020, NTPM (Singapore) Pte Ltd ("NSPL")'s long term loan amounting to RM46 million has been presented under current liabilities as at 30 April 2020 as the bank has the absolute discretion to revise or recall the banking facilities even if there has been no breach of covenant. As at 30 April 2020, NSPL has not breached the covenant of the term loan. However due to the terms and conditions stated in the banking facilities agreement, the Group has to reclassify these non-current liabilities (RM46 million) as current liabilities even though the term loan is not due to be settled within 12 months after the reporting period. Without such a reclassification, the current ratio recorded by the Group would have been 1.04.

During the year, Nibong Tebal Paper Mill Sdn Bhd and Nibong Tebal Personal Care Sdn Bhd have breached certain financial covenants of their unsecured bank borrowing. However, subsequent to the financial year end, the relevant borrowings have been renewed and extended by the bank.



NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 April 2020

NOTES TO THE INTERIM FINANCIAL REPORT

21. 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 2020, 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
<u>Non-Hedging Derivatives</u>		
<u>Bank Buy</u>		
SG Dollar		
Less than 1 year	10,318	10,459
US Dollar		
Less than 1 year	2,159	2,203

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 quarter, the Group recognised a loss on derivative of RM305,000 and RM173,000 for financial period ended 30 April 2020 which arose 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 2020. 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 2019.

22. Material litigation

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

**NTPM HOLDINGS BERHAD**Company No. 199601012313 (384662-U)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 April 2020****NOTES TO THE INTERIM FINANCIAL REPORT****23. Dividends**

The single tier final dividend of 0.80 sen per ordinary share in respect of the financial year ended 30 April 2019 amounting to RM8,984,320 was paid on 23 October 2019.

The single tier first interim dividend of 0.80 sen per ordinary share in respect of the financial year ended 30 April 2020 amounting to RM8,984,320 was paid on 20 April 2020.

The total net dividend per share declared during the financial year ended 30 April 2020 is 0.80 sen (2019: 1.60 sen).

24. 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	
	2020	2019	2020	2019
Net profit attributable to shareholders (RM'000)	4,075	(4,852)	6,295	8,962
Weighted average number of ordinary shares in issue ('000)	1,123,040	1,123,047	1,123,040	1,123,070
Basic earnings per share (sen)	0.4	(0.4)	0.6	0.8

By Order of the Board**Company Secretary****DATED THIS 29th June, 2020**