



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2020

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (1 st Q)		Cumulative Quarter (3 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 July 2020	31 July 2019	31 July 2020	31 July 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	179,290	184,894	179,290	184,894
Operating profit	22,223	6,468	22,223	6,468
Interest income	46	83	46	83
Interest expense	(2,885)	(3,460)	(2,885)	(3,460)
Profit before tax	19,384	3,091	19,384	3,091
Income tax expense	(4,740)	(2,588)	(4,740)	(2,588)
Profit net of tax	14,644	503	14,644	503
Profit attributable to:				
Owners of the parent	14,644	503	14,644	503
Non-controlling interests	-	-	-	-
	14,644	503	14,644	503
Basic/Diluted earnings per ordinary share (sen)	1.30	0.04	1.30	0.04

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2020.

The accompanying notes are an integral part of this statement.



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Company No. 199601012313 (384662 U)
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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2020

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	31 July 2020	31 July 2019	31 July 2020	31 July 2019
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	14,644	503	14,644	503
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	893	157	893	157
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	-	-	-	-
Revaluation of land and buildings	-	-	-	-
Effect of changes in Real Property Gain	-	-	-	-
Tax on revaluation of land	-	-	-	-
Total comprehensive income for the period	15,537	660	15,537	660
Total comprehensive income attributable to:				
Owners of the parent	15,537	660	15,537	660
Non-controlling interests	-	-	-	-
	15,537	660	15,537	660

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2020.

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NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding	To Date	Corresponding
	31 July 2020	31 July 2019	31 July 2020	31 July 2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(46)	(83)	(46)	(83)
(b) Other income including investment income	(944)	(412)	(944)	(412)
(c) Interest expense	2,885	3,460	2,885	3,460
(d) Depreciation	12,652	8,994	12,652	8,994
(e) Impairment loss on receivables	150	150	150	150
(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 loss/ (gain)	(1,978)	(3,969)	(1,978)	(3,969)
(j) Loss/ (gain) on derivatives	(125)	(81)	(125)	(81)
(k) Revaluation deficit in land and buildings	-	-	-	-

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 2020.

The accompanying notes are an integral part of this statement.



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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 July 2020	(Audited) As at 30 April 2020
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	550,362	555,166
RIGHT OF USE	26,884	27,640
LAND USE RIGHTS	-	-
DEFERRED TAX ASSETS	528	499
	577,774	583,305
CURRENT ASSETS		
Inventories	218,618	220,634
Trade receivables	105,206	116,628
Tax receivable	6,227	7,506
Other receivables	55,852	48,665
Derivative assets	-	-
Cash and bank balances	36,563	48,773
	422,466	442,206
TOTAL ASSETS	1,000,240	1,025,511
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(109)	(109)
RESERVES	348,919	333,382
TOTAL EQUITY	461,130	445,593
NON-CURRENT LIABILITIES		
BORROWINGS	60,798	58,416
DEFERRED TAX LIABILITIES	31,230	30,367
LEASE LIABILITIES	2,745	3,130
RETIREMENT BENEFIT OBLIGATIONS	5,238	5,118
	100,011	97,031
CURRENT LIABILITIES		
Retirement benefit obligations	54	54
Borrowings	350,844	369,546
Lease liabilities	1,733	1,860
Trade payables	33,906	35,480
Other payables	51,051	73,997
Tax payable	1,453	1,766
Derivative liabilities	58	184
	439,099	482,887
TOTAL LIABILITIES	539,110	579,918
TOTAL EQUITY AND LIABILITIES	1,000,240	1,025,511
Net Assets per share (RM)	0.41	0.40

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2020.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Three Months Ended 31 July 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 2020	112,320	(109)	77,728	255,654	445,593	-	445,593
Total comprehensive income for the period	-		893	14,644	15,537	-	15,537
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-		-	-	-	-	-
Total transactions with owners :	-	-	-	-	-	-	-
At 31 July 2020	112,320	(109)	78,621	270,298	461,130	-	461,130

Three Months Ended 31 July 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 2019	112,320	(109)	73,523	267,805	453,539	-	453,539
Total comprehensive income for the period	-	-	157	503	660	-	660
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-		-	-	-	-	-
Total transactions with owners :	-	-	-	-	-	-	-
At 31 July 2019	112,320	(109)	73,680	268,308	454,199	-	454,199

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2020

The accompanying notes are an integral part of this statement.



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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2020**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	3 months ended 31 July 2020 RM'000	3 months ended 31 July 2019 RM'000
OPERATING ACTIVITIES		
Profit before tax	19,384	3,091
Adjustments for:		
Amortisation of land use rights	-	133
Depreciation	12,652	8,861
Interest expense	2,885	3,460
Interest income	(46)	(83)
Inventories written off	-	-
Gain on disposal of property, plant and equipment	(22)	(75)
Net fair value gain on derivatives	(125)	(81)
Plant and equipment written off	-	384
Increase in liability for defined benefit plan	166	124
Impairment loss on loan and receivables	150	150
Deficit on revaluation	-	-
Short term accumulating compensated absences	-	-
Unrealised foreign exchange (gain)/ loss	(2,798)	102
Total adjustments	12,862	12,975
Operating cash flows before changes in working capital	32,246	16,066
Changes in working capital		
Increase/ (decrease) in receivables	12,282	(29,726)
Increase in inventories	1,839	20,747
Decrease in payable	(24,214)	(14,239)
Decrease in retirement benefit obligations	(47)	(4)
Total changes in working capital	(10,140)	(23,222)
Cash flows generated from/ (used in) operations	22,106	(7,156)
Interest paid	(2,824)	(3,460)
Tax paid	(2,951)	(5,009)
Tax refunded	-	-
Net cash flow generated from/ (used in) operating activities	16,331	(15,625)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,905)	(12,635)
Interest received	46	83
Proceeds from disposal of plant and equipment	53	493
Net cash used in investing activities	(7,806)	(12,059)
FINANCING ACTIVITIES		
Net change in bank borrowings	(20,405)	18,028
Payment of lease liabilities	(583)	-
Dividends paid to shareholders	-	-
Purchase of treasury shares	-	-
Net cash generated (used in)/ from financing activities	(20,988)	18,028
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,463)	(9,656)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	48,773	45,278
Effects of exchange rate changes	253	486
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	36,563	36,108
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	12,791	17,043
Deposits with licensed banks:		
Fixed deposit	14,708	12,069
Short term placements	9,064	6,996
	36,563	36,108

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 May 2020 RM'000	Cash Flows RM'000	Others RM'000	Foreign exchange movement RM'000	Carrying amount as at 31 July 2020 RM'000
Loan and borrowing	427,962	(20,405)	-	4,085	411,642
Lease liabilities	4,990	(583)	75	(4)	4,478
Total liabilities from financing activities	432,952	(20,988)	75	4,081	416,120

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2020.

The accompanying notes are an integral part of this statement.



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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 2020. 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 2020.

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 2020 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2020:

- Amendments to MFRS 2 Share-Based Payment
- Amendment to MFRS 3 Business Combinations
- Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources
- Amendment to MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS 134 Interim Financial Reporting
- Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
- Amendment to MFRS 138 Intangible Assets
- Amendment to IC Interpretation 12 Service Concession Arrangements
- Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IC Interpretation 132 Intangible Assets—Web Site Costs
- Amendments to MFRS 3 Business Combinations- Definition of a Business
- Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Material
- Interest Rate Benchmark Reform (Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures)



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

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

Description	Effective for annual periods beginning on or after
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.

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



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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 RM151.1 million (30.4.2020: RM148.4 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.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 April 2020 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. to the Income Statement.

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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

There were no dividends paid during the financial period ended 31 July 2020.

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 31 July 2020 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	128,023	51,267	179,290
Result			
Segment results	11,794	10,429	22,223
Interest income	33	13	46
Operating profit	11,827	10,442	22,269
Finance costs	(2,612)	(273)	(2,885)
Segment profit	9,215	10,169	19,384
Included in the measure of segment profit are			
- depreciation	9,977	2,675	12,652
- non-cash expenses other than depreciation and amortisation	(2,053)	(687)	(2,740)
Segment assets	854,898	145,342	1,000,240
Included in the measure of segment assets is			
- capital expenditure	7,730	175	7,905

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Segment information for the period ended 31 July 2019 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	133,688	51,206	184,894
Result			
Segment results	3,059	3,409	6,468
Interest income	58	25	83
Operating profit	3,117	3,434	6,551
Finance costs	(2,408)	(1,052)	(3,460)
Segment profit	709	2,382	3,091
Included in the measure of segment profit are			
- depreciation and amortisation	6,661	2,333	8,994
- non-cash expenses other than depreciation and amortisation	(2,435)	(140)	(2,575)
Segment assets	794,655	141,133	935,788
Included in the measure of segment assets is			
- capital expenditure	12,544	91	12,635

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 RM7.9 million and RM0.03 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 31 July 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

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



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

The corporate guarantees of the Company are as follows:

	As at 31.07.2020	As at 30.04.2020
	RM'000	RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	411,642	427,962

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FOR THE FINANCIAL PERIOD ENDED 31 JULY 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	
	31.07.2020	31.7.2019	31.07.2020	31.7.2019
	RM'000	RM'000	RM'000	RM'000
Revenue				
Paper Products	128,023	133,688	128,023	133,688
Personal Care Products	51,267	51,206	51,267	51,206
Group	179,290	184,894	179,290	184,894
Profit before tax				
Paper Products	9,215	709	9,215	709
Personal Care Products	10,169	2,382	10,169	2,382
Group	19,384	3,091	19,384	3,091

Group

Group revenue for the period ended 31 July 2020 was RM179.3 million compared with RM184.9 million for the period ended 31 July 2019, a decrease of 3%. The decrease was due to the decrease in sales of Tissue paper products. The Group's profit before taxation for the period ended 31 July 2020 was RM19.4 million, an increase of 527% over RM3.1 million registered in the previous financial period ended 31 July 2019. The increase in profit before taxation was mainly due to the lower raw material cost and overhead cost recorded in the current period under review as compare to previous period. The key factors that affect the performance of tissue products include the lower cost in raw material consumed such as virgin pulp and waste paper.

Paper Products segment

Revenue from the paper products segment for the period ended 31 July 2020 was RM128 million compared with RM133.7 million for the financial period ended 31 July 2019, a decrease of 4.2%. This was driven primarily by the decreased in demand from hospitality industry.

Profit before taxation in the paper products segment for the period ended 31 July 2020 was RM9.2 million, an increase of 1199.7% over RM0.7 million registered in the previous financial period. The increase in profit before taxation was mainly due to the lower cost of goods sold recorded.

The key factors that affect the performance of tissue products include the lower cost in raw material such as virgin pulp and waste paper, and overhead cost.



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Personal Care Products segment

Revenue from the personal care products segment for the period ended 31 July 2020 was RM51.3 million compared with RM51.2 million recorded in the period ended 31 July 2019, an increase of 0.1%. Profit before taxation in the personal care products segment for the period ended 31 July 2020 was RM10.2 million, an increase of 326.9% over RM2.4 million registered in the period ended 31 July 2019. The increase in profit before taxation was mainly due to the lower raw material cost consumed recorded in the current period.

15. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	31.07.2020	30.04.2020		
	RM'000	RM'000	RM'000	%
Revenue	179,290	201,617	(22,327)	(11.1)
Profit before tax	19,384	9,988	9,396	94.1

Revenue for the quarter ended 31 July 2020 decreased by RM22.3 million or 11.1%. The decrease was mainly due to the decrease in sales of both products, especially in Tissue paper products. While, profit before taxation increased by RM9.4 million or 94.1% 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

In the second quarter of 2020, Malaysia's economy shrank by 17.1 percent year-on-year. The downturn was broad-based and largely reflected contractions in private consumption. Household spending fell at a record pace of 18.5% in the second quarter amidst a strict lockdown and deteriorating labor market (1st Quarter 2020: +6.7%). The COVID-19 pandemic presents a significant challenge given the uncertainties it has created for businesses and economy, especially in travel, tourism and hospitality industry.

In light of these challenges, the Group will continuously take proactive measures to meet the changing environment and take necessary action to maintain sustainable growth in revenue and profitability. We are looking into ways to widen our customer base and expand our distribution channel.

To-date, the Group has been able to take appropriate measures to rap up its operation since the onslaught of COVID-19 and maintain its sound financial position.

The Group is therefore cautiously optimistic in its prospect.

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Not applicable.

18. Taxation

	Current Quarter 3 months ended 31 July 2020 RM'000	Period-to-date 3 months ended 31 July 2020 RM'000
Income tax		
Current year	3,907	3,907
Prior year	-	-
	<u>3,907</u>	<u>3,907</u>
Deferred tax		
Current year	833	833
Prior year	-	-
	<u>4,740</u>	<u>4,740</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 unutilised 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.

20. Group borrowings

	31 July 2020 RM'000
Non-current	
Unsecured	
Long term loans	60,798
Current	
Unsecured	
Bankers' acceptance	71,687
Onshore Foreign Currency Loan (OFCL)	37,098
Revolving Credit (RC)	173,773
Term loans	65,949
Trust Receipt	2,337
	<u>411,642</u>

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The borrowings are denominated in the following currencies:

	31 July 2020 RM'000			Total
	Vietnam Dong	Ringgit Malaysia	US Dollar	
Bankers' acceptance	-	71,687	-	71,687
Onshore Foreign Currency Loan (OFCL)	-	-	37,098	37,098
Revolving Credit ("RC")	-	60,500	113,273	173,773
Term Loans	-	70,440	56,307	126,747
Trust Receipt	2,337	-	-	2,337
	<u>2,337</u>	<u>202,627</u>	<u>206,678</u>	<u>411,642</u>

As at 31 July 2020, NTPM (Singapore) Pte Ltd ("NSPL")'s long term loan amounting to RM46 million has been presented under current liabilities as at 31 July 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 31 July 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 1.07.

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, the relevant borrowings have been renewed and extended by the bank.

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 31 July 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	10,896	10,941
US Dollar		
Less than 1 year	2,106	2,119



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Derivatives financial instruments that are not designated or do not qualify for hedge accounting are categorised as fair value through profit or loss and measured at their fair value with the gain or loss recognized in the profit or loss. During the current financial quarter and financial period ended 31 July 2020, the Group recognised a gain on derivative of RM125,000 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 31 July 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 2020.

22. Material litigation

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

23. Dividends

A single tier interim dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2021 has been declared on 25 September 2020 and is to be paid on 23 October 2020 to depositors registered in the records of Depositors at the close of business on 12 October 2020. 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 31 October 2020.

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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		3 Months Period Ended	
	31 July		31 July	
	2020	2019	2020	2019
Net profit attributable to shareholders (RM'000)	14,644	503	14,644	503
Weighted average number of ordinary shares in issue ('000)	1,123,040	1,123,040	1,123,040	1,123,040
Basic earnings per share (sen)	1.30	0.04	1.30	0.04

By Order of the Board**Company Secretary****DATED THIS 25th September, 2020**