



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2020

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (2 nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Oct 2020	31 Oct 2019	31 Oct 2020	31 Oct 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	188,672	194,231	367,962	379,125
Operating profit	22,758	5,464	44,981	11,932
Interest income	41	77	87	160
Interest expense	(2,350)	(3,610)	(5,235)	(7,070)
Profit before tax	20,449	1,931	39,833	5,022
Income tax expense	(6,711)	(3,286)	(11,451)	(5,874)
Profit net of tax	13,738	(1,355)	28,382	(852)
Profit attributable to:				
Owners of the parent	13,738	(1,355)	28,382	(852)
Non-controlling interests	-	-	-	-
	13,738	(1,355)	28,382	(852)
Basic/Diluted earnings per ordinary share (sen)	1.22	(0.12)	2.53	(0.08)

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 OCTOBER 2020

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	31 Oct 2020	31 Oct 2019	31 Oct 2020	31 Oct 2019
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	13,738	(1,355)	28,382	(852)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	1,589	(158)	2,482	(1)
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	15,327	(1,513)	30,864	(853)
Total comprehensive income attributable to:				
Owners of the parent	15,327	(1,513)	30,864	(853)
Non-controlling interests	-	-	-	-
	15,327	(1,513)	30,864	(853)

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 (2nd Q)		Cumulative Quarter (6 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding	To Date	Corresponding
	31 Oct 2020	31 Oct 2019	31 Oct 2020	31 Oct 2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(41)	(77)	(87)	(160)
(b) Other income including investment income	(697)	(889)	(1,641)	(1,301)
(c) Interest expense	2,350	3,610	5,235	7,070
(d) Depreciation	12,355	10,113	25,007	19,107
(e) Impairment loss on receivables	197	203	347	353
(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)	(1,929)	448	(3,907)	(3,248)
(j) Loss/ (gain) on derivatives	(86)	211	(211)	130
(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.

**NTPM HOLDINGS BERHAD**Company No. 199601012313 (384662 U)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2020****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited) As at 31 Oct 2020	(Audited) As at 30 April 2020
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	538,475	555,166
RIGHT OF USE	21,933	27,640
LAND USE RIGHTS	-	-
DEFERRED TAX ASSETS	574	499
	<u>560,982</u>	<u>583,305</u>
CURRENT ASSETS		
Inventories	208,813	220,634
Trade receivables	105,514	116,628
Tax receivable	2,276	7,506
Other receivables	51,412	48,665
Derivative assets	27	-
Cash and bank balances	34,657	48,773
	402,699	442,206
Assets held for sale	14,888	-
TOTAL ASSETS	<u>978,569</u>	<u>1,025,511</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(109)	(109)
RESERVES	355,262	333,382
TOTAL EQUITY	<u>467,473</u>	<u>445,593</u>
NON-CURRENT LIABILITIES		
BORROWINGS	53,850	58,416
DEFERRED TAX LIABILITIES	30,766	30,367
LEASE LIABILITIES	1,830	3,130
RETIREMENT BENEFIT OBLIGATIONS	5,356	5,118
	<u>91,802</u>	<u>97,031</u>
CURRENT LIABILITIES		
Retirement benefit obligations	54	54
Borrowings	329,011	369,546
Lease liabilities	1,826	1,860
Trade payables	30,780	35,480
Other payables	56,268	73,997
Tax payable	1,355	1,766
Derivative liabilities	-	184
	<u>419,294</u>	<u>482,887</u>
TOTAL LIABILITIES	<u>511,096</u>	<u>579,918</u>
TOTAL EQUITY AND LIABILITIES	<u>978,569</u>	<u>1,025,511</u>
Net Assets per share (RM)	0.42	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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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2020**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Six Months Ended 31 Oct 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	RM'000	
At 1 May 2020	112,320	(109)	77,728	255,654	445,593	-	445,593
Total comprehensive income for the period	-	-	2,482	28,382	30,864	-	30,864
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(8,984)	(8,984)	-	(8,984)
Total transactions with owners :	-	-	-	(8,984)	(8,984)	-	(8,984)
At 31 Oct 2020	112,320	(109)	80,210	275,052	467,473	-	467,473

Six Months Ended 31 Oct 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	RM'000	
At 1 May 2019	112,320	(109)	73,523	267,805	453,539	-	453,539
Total comprehensive income for the period	-	-	(1)	(852)	(853)	-	(853)
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(8,984)	(8,984)	-	(8,984)
Total transactions with owners :	-	-	-	(8,984)	(8,984)	-	(8,984)
At 31 Oct 2019	112,320	(109)	73,522	257,969	443,702	-	443,702

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

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	6 months ended 31 Oct 2020 RM'000	6 months ended 31 Oct 2019 RM'000
OPERATING ACTIVITIES		
Profit before tax	39,833	5,022
Adjustments for:		
Amortisation of land use rights	-	268
Bad debts written off	47	53
Depreciation	23,689	18,839
Depreciation- Right of Use Assets	1,318	-
Interest expense	5,159	7,070
Interest expense- Lease	76	-
Interest income	(87)	(160)
Inventories written off	-	-
Gain on disposal of property, plant and equipment	(31)	(79)
Net fair value (gain)/ loss on derivatives	(211)	130
Plant and equipment written off	356	402
Increase in liability for defined benefit plan	423	300
Impairment loss on loan and receivables	300	300
Deficit on revaluation	-	-
Short term accumulating compensated absences	-	-
Unrealised foreign exchange (gain)/ loss	(2,798)	102
Total adjustments	28,241	27,225
Operating cash flows before changes in working capital	68,074	32,247
Changes in working capital		
Increase/ (decrease) in receivables	10,334	(23,162)
Decrease/ (increase) in inventories	10,269	(13,243)
Decrease in payable	(11,258)	(11,977)
Decrease in retirement benefit obligations	(184)	(62)
Total changes in working capital	9,161	(48,444)
Cash flows generated from/ (used in) operations	77,235	(16,197)
Interest paid	(5,159)	(7,070)
Tax paid	(6,308)	(9,306)
Tax refunded	-	3,390
Net cash flow generated from/ (used in) operating activities	65,768	(29,183)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21,863)	(28,051)
Interest received	87	160
Proceeds from disposal of plant and equipment	62	523
Net cash used in investing activities	(21,714)	(27,368)
FINANCING ACTIVITIES		
Net change in bank borrowings	(48,002)	53,653
Payment of lease liabilities	(1,112)	-
Dividends paid to shareholders	(8,984)	(8,984)
Purchase of treasury shares	-	-
Net cash generated (used in)/ from financing activities	(58,098)	44,669
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,044)	(11,882)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	48,773	45,278
Effects of exchange rate changes	(72)	1,036
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	34,657	34,432
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	10,885	18,886
Deposits with licensed banks:		
Fixed deposit	14,708	12,458
Short term placements	9,064	3,088
	34,657	34,432

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 Oct 2020 RM'000
Loan and borrowing	427,962	(48,002)	-	2,901	382,861
Lease liabilities	4,990	(1,112)	(167)	(55)	3,656
Total liabilities from financing activities	432,952	(49,114)	(167)	2,846	386,517

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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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 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 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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NOTES TO THE INTERIM FINANCIAL REPORT

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
Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform—Phase 2	1 January 2021
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.



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NOTES TO THE INTERIM FINANCIAL REPORT

(i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unused reinvestment allowance to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowance can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of unrecognised tax losses and capital allowances of the Group was RM152.1 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

The single tier first interim dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2021 amounting to RM8,984,320 was paid on 23 October 2020.

The total net dividend per share paid to- date during the current financial year is 0.80 sen.

	Dividend recognized in the year		Net Dividend per share	
	2021 RM	2020 RM	2021 Sen	2020 Sen
In respect of the financial year 2021:				
Single tier first interim dividend paid on 23 October 2020	8,984,320	-	0.80	-
In respect of the financial year 2020:				
Single tier first interim dividend paid on 20 April 2020	-	8,984,320	-	0.80
In respect of the financial year 2019:				
Single tier final dividend paid on 23 October 2019	-	8,984,320	-	0.80
	<u>8,984,320</u>	<u>17,968,640</u>	<u>0.80</u>	<u>1.60</u>

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 October 2020 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	257,693	110,269	367,962

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**INTERIM FINANCIAL REPORT
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	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Result			
Segment results	24,457	20,524	44,981
Interest income	80	7	87
Operating profit	24,537	20,531	45,068
Finance costs	(4,462)	(773)	(5,235)
Segment profit	20,075	19,758	39,833
Included in the measure of segment profit are			
- depreciation	19,592	5,415	25,007
- non-cash expenses other than depreciation and amortisation	(981)	(1,571)	(2,552)
Segment assets	833,660	144,909	978,569
Included in the measure of segment assets is			
- capital expenditure	21,272	591	21,863

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

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	273,388	105,737	379,125
Result			
Segment results	6,115	5,817	11,932
Interest income	154	6	160
Operating profit	6,269	5,823	12,092
Finance costs	(6,101)	(969)	(7,070)
Segment profit	168	4,854	5,022
Included in the measure of segment profit are			
- depreciation and amortisation	14,546	4,561	19,107
- non-cash expenses other than depreciation and amortisation	(1,979)	94	(1,885)
Segment assets	834,635	143,136	977,771
Included in the measure of segment assets is			
- capital expenditure	27,138	913	28,051



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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 RM21.9 million and RM0.03 million respectively.

11. Significant and subsequent events to the balance sheet date

On 1 October 2020, the Company's wholly-owned subsidiary, Nibong Tebal Paper Mill Sdn. Bhd. (hereinafter referred to as "NTPM") entered into a Share Sale Agreement with XSD International Paper Sdn. Bhd. for disposal by NTPM of the 100% equity interest held in NTPM Paper Mill (Bentong) Sdn. Bhd. ("NTPM Bentong") comprising 40,000,000 ordinary shares in NTPM Bentong for a cash consideration of Ringgit Malaysia Twenty Seven Million and Five Hundred Thousand (RM27,500,000). NTPM Bentong ceased to be a subsidiary of NTPM following the completion of the disposal on 10 November 2020.

12. Changes in the composition of the Group

There were no 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 31.10.2020	As at 30.04.2020
	RM'000	RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	382,861	427,962

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 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	
	31.10.2020	31.10.2019	31.10.2020	31.10.2019
	RM'000	RM'000	RM'000	RM'000
Revenue				
Paper Products	129,670	139,700	257,693	273,388
Personal Care Products	59,002	54,531	110,269	105,737
Group	188,672	194,231	367,962	379,125
Profit before tax				
Paper Products	10,860	(541)	20,075	168
Personal Care Products	9,589	2,472	19,758	4,854
Group	20,449	1,931	39,833	5,022

Group

Group revenue for the period ended 31 October 2020 was RM367.96 million compared with RM379.13 million for the period ended 31 October 2019, a decrease of 2.9%. The decrease was due to the decrease in sales of Tissue paper products. The Group's profit before taxation for the period ended 31 October 2020 was RM39.83 million, an increase of 693.2% over RM5.02 million registered in the period ended 31 October 2019. The increase in profit before taxation was mainly due to the lower raw material cost recorded in the current period under review as compared to the previous period.

Paper Products segment

Revenue from the paper products segment for the period ended 31 October 2020 was RM257.7 million compared with RM273.4 million for the period ended 31 October 2019, a decrease of 5.7%. This was driven primarily by the decrease in demand from hospitality industry.

Profit before taxation in the paper products segment for the period ended 31 October 2020 was RM20.1 million, an increase of 11,849% over RM0.17 million registered in the previous period. The increase in profit before taxation was mainly due to the lower cost in raw material such as virgin pulp and waste paper.



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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 31 October 2020 was RM110.3 million compared with RM105.7 million recorded in the period ended 31 October 2019, an increase of 4.3%. This was mainly driven by the increase in revenue generated from Wet Tissue and Cotton Products.

Profit before taxation in the personal care products segment for the period ended 31 October 2020 was RM19.8 million, an increase of 307% over RM4.9 million registered in the period ended 31 October 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	
	31.10.2020	31.07.2020	RM'000	%
	RM'000	RM'000		
Revenue	188,672	179,290	9,382	5.2
Profit before tax	20,449	19,384	1,065	5.5

Revenue for the quarter ended 31 October 2020 increased by RM9.4 million or 5.2%. The increase was mainly due to the increase in sales of both products, especially in Personal Care products. Profit before taxation increased by RM1.1 million or 5.5% 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 selling and distribution expenses incurred. Lower finance cost has further increased the profitability of the Group.

16. Prospects

The COVID-19 pandemic as a public health menace remains a significant challenge given the uncertainties it has created for businesses and economy. The Group has taken necessary actions to protect its manpower, sustain its operation and grow its revenue and profitability. The Group will be proactive in meeting the changing environment and is looking into ways to widen our customer base and expand our distribution channel.

Despite the onslaught of COVID-19, the Group has been able to maintain its sound financial position and profitability.

The Group is cautiously optimistic in its prospect.

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Not applicable.

18. Taxation

	Current Quarter 3 months ended 31 October 2020 RM'000	Period-to-date 6 months ended 31 October 2020 RM'000
Income tax		
Current year	7,221	11,128
Prior year		
	<u>7,221</u>	<u>11,128</u>
Deferred tax		
Current year	(510)	323
Prior year		-
	<u>6,711</u>	<u>11,451</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, other than the proposed disposal of 100% equity interest held in NTPM Paper Mill (Bentong) Sdn. Bhd. which has been completed on 10 November 2020, as disclosed in Note 11.

20. Group borrowings

	31 October 2020 RM'000
Non-current	
Unsecured	
Long term loans	53,850
Current	
Unsecured	
Bankers' acceptance	83,547
Onshore Foreign Currency Loan (OFCL)	25,612
Revolving Credit (RC)	141,512
Term loans	77,262
Trust Receipt	1,078
	<u>382,861</u>

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The borrowings are denominated in the following currencies:

	31 October 2020			Total
	RM'000			
	Vietnam Dong	Ringgit Malaysia	US Dollar	
Bankers' acceptance	-	83,547	-	83,547
Onshore Foreign Currency Loan (OFCL)	-	-	25,612	25,612
Revolving Credit ("RC")	-	57,080	84,432	141,512
Term Loans	-	67,129	63,983	131,112
Trust Receipt	1,078	-	-	1,078
	1,078	207,756	174,027	382,861

As at 31 October 2020, NTPM (Singapore) Pte Ltd ("NSPL")'s long term loan amounting to RM54 million has been presented under current liabilities as at 31 October 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 October 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 (RM54 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 1.10 (current ratio as at 31 October 2020: 0.96).

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 October 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
<i><u>Non-Hedging Derivatives</u></i>		
<i><u>Bank Buy</u></i>		
SG Dollar		
Less than 1 year	8,450	8,422

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 gain on derivative of RM86,000 and RM211,000 for financial period ended 31 October 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.



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

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

There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group nor the related accounting policies for the financial period ended 31 October 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. Proposed Dividends

The single tier first interim dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2021 amounting to RM8,984,320 was paid on 23 October 2020.

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 18 December 2020 and is to be paid on 22 January 2021 to depositors registered in the records of Depositors at the close of business on 6 January 2021. 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 January 2021.

The total net dividend per share declared to- date during the current financial year is 1.60 sen.

	Dividend declared		Net Dividend per share	
	2021 RM	2020 RM	2021 Sen	2020 Sen
In respect of the financial year 2021:				
Single tier second interim dividend declared on 18 December 2020	8,984,320	-	0.80	-
Single tier first interim dividend declared on 25 September 2020 and paid on 23 October 2020	8,984,320	-	0.80	-
In respect of the financial year 2020:				
Single tier first interim dividend declared on 20 March 2020 and paid on 20 April 2020	-	8,984,320	-	0.80
	17,968,640	8,984,320	1.60	0.80

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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 31 October		6 Months Period Ended 31 October	
	2020	2019	2020	2019
Net profit attributable to shareholders (RM'000)	13,738	(1,355)	28,382	(852)
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)	1.22	(0.12)	2.53	(0.08)

By Order of the Board**Company Secretary****DATED THIS 18th December, 2020**