



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2021

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Jan 2021	31 Jan 2020	31 Jan 2021	31 Jan 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	193,166	197,674	561,128	576,799
Operating profit	36,871	11,142	81,852	23,074
Interest income	8	75	95	235
Interest expense	(1,995)	(3,832)	(7,230)	(10,902)
Profit before tax	34,884	7,385	74,717	12,407
Income tax expense	(5,201)	(4,313)	(16,652)	(10,187)
Profit net of tax	29,683	3,072	58,065	2,220
Profit attributable to:				
Owners of the parent	29,683	3,072	58,065	2,220
Non-controlling interests	-	-	-	-
	29,683	3,072	58,065	2,220
Basic/Diluted earnings per ordinary share (sen)	2.6	0.3	5.2	0.2

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 JANUARY 2021

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Jan 2021	31 Jan 2020	31 Jan 2021	31 Jan 2020
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	29,683	3,072	58,065	2,220
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	1,620	781	4,102	781
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	31,303	3,853	62,167	3,001
Total comprehensive income attributable to:				
Owners of the parent	31,303	3,853	62,167	3,001
Non-controlling interests	-	-	-	-
	31,303	3,853	62,167	3,001

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 (3rd Q)		Cumulative Quarter (9 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Jan 2021	31 Jan 2020	31 Jan 2021	31 Jan 2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(8)	(75)	(95)	(235)
(b) Other income including investment income	(1,386)	(351)	(3,027)	(1,652)
(c) Interest expense	1,995	3,832	7,230	10,902
(d) Depreciation	11,552	10,887	36,559	29,994
(e) Impairment loss on receivables	40	261	387	614
(f) Reversal of provision for and write off of inventories	-	-	-	-
(g) Impairment of assets	-	-	-	-
(h) Foreign exchange gain	(2,682)	(128)	(6,589)	(3,376)
(i) Loss/ (gain) on derivatives	13	(262)	(198)	(132)
(j) Revaluation deficit in land and buildings	-	-	-	-
(k) Gain on disposal of subsidiaries	(12,612)	-	(12,612)	-

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 JANUARY 2021**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 Jan 2021	(Audited) As at 30 April 2020
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	550,021	555,166
RIGHT OF USE	21,331	27,640
LAND USE RIGHTS	-	-
DEFERRED TAX ASSETS	975	499
	<u>572,327</u>	<u>583,305</u>
CURRENT ASSETS		
Inventories	201,644	220,634
Trade receivables	115,157	116,628
Tax receivable	1,610	7,506
Other receivables	37,083	48,665
Derivative assets	14	-
Cash and bank balances	32,154	48,773
	<u>387,662</u>	<u>442,206</u>
TOTAL ASSETS	<u>959,989</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	377,580	333,382
	<u>489,791</u>	<u>445,593</u>
MINORITY INTEREST	-	-
TOTAL EQUITY	<u>489,791</u>	<u>445,593</u>
NON-CURRENT LIABILITIES		
BORROWINGS	50,538	58,416
DEFERRED TAX LIABILITIES	32,038	30,367
LEASE LIABILITIES	1,642	3,130
RETIREMENT BENEFIT OBLIGATIONS	5,476	5,118
	<u>89,694</u>	<u>97,031</u>
CURRENT LIABILITIES		
Retirement benefit obligations	54	54
Borrowings	296,545	369,546
Lease liabilities	1,785	1,860
Trade payables	34,478	35,480
Other payables	46,382	73,997
Tax payable	1,260	1,766
Derivative liabilities	-	184
	<u>380,504</u>	<u>482,887</u>
TOTAL LIABILITIES	<u>470,198</u>	<u>579,918</u>
TOTAL EQUITY AND LIABILITIES	<u>959,989</u>	<u>1,025,511</u>
Net Assets per share (RM)	0.44	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 JANUARY 2021**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Nine Months Ended 31 Jan 2021

	← 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	-	-	4,102	58,065	62,167	-	62,167
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 31 Jan 2021	112,320	(109)	81,830	295,750	489,791	-	489,791

Nine Months Ended 31 Jan 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 2019	112,320	(109)	73,523	267,805	453,539	-	453,539
Total comprehensive income for the period	-	-	781	2,220	3,001	-	3,001
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 Jan 2020	112,320	(109)	74,304	261,041	447,556	-	447,556

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 JANUARY 2021**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	9 months ended 31 Jan 2021 RM'000	9 months ended 31 Jan 2020 RM'000
OPERATING ACTIVITIES		
Profit before tax	74,717	12,407
Adjustments for:		
Amortisation of land use rights	-	402
Bad debts written off	47	164
Depreciation	34,583	29,592
Depreciation- Right of Use Assets	1,976	-
Interest expense	7,108	10,902
Interest expense- Lease	122	-
Interest income	(95)	(235)
Inventories written off	-	-
Gain on disposal of subsidiary	(12,612)	-
Gain on disposal of property, plant and equipment	(328)	(79)
Net fair value gain on derivatives	(198)	(132)
Plant and equipment written off	444	405
Increase in liability for defined benefit plan	611	435
Impairment loss on loan and receivables	340	450
Deficit on revaluation	-	-
Short term accumulating compensated absences	-	-
Unrealised foreign exchange (gain)/ loss	(2,798)	102
Total adjustments	29,200	42,006
Operating cash flows before changes in working capital	103,917	54,413
Changes in working capital		
Decrease / (increase) in receivables	13,915	(40,463)
Decrease / (increase) in inventories	16,895	(32,719)
Decrease in payable	(12,063)	(14,794)
Decrease in retirement benefit obligations	(253)	(78)
Total changes in working capital	18,494	(88,054)
Cash flows generated from/ (used in) operations	122,411	(33,641)
Interest paid	(7,108)	(10,902)
Tax paid	(10,067)	(14,196)
Tax refunded	-	3,390
Net cash flow generated from/ (used in) operating activities	105,236	(55,349)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(46,615)	(45,878)
Interest received	95	235
Proceeds from disposal of plant and equipment	360	249
Proceeds from disposal of subsidiary	27,500	-
Net cash used in investing activities	(18,660)	(45,394)
FINANCING ACTIVITIES		
Net change in bank borrowings	(83,537)	101,734
Payment of lease liabilities	(1,700)	-
Dividends paid to shareholders	(17,969)	(8,984)
Purchase of treasury shares	-	-
Net cash (used in)/ generated from financing activities	(103,206)	92,750
NET DECREASE IN CASH AND CASH EQUIVALENTS	(16,630)	(7,993)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	48,773	45,278
Effects of exchange rate changes	11	126
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	32,154	37,411
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	6,347	15,849
Deposits with licensed banks:		
Fixed deposit	12,666	11,813
Short term placements	13,141	9,749
	32,154	37,411

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 Jan 2021 RM'000
Loan and borrowing	427,962	(83,537)	-	2,658	347,083
Lease liabilities	4,990	(1,700)	666	(529)	3,427
Total liabilities from financing activities	432,952	(85,237)	666	2,129	350,510

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 JANUARY 2021

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 intends 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
Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018–2020”	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 17 Insurance Contracts	1 January 2023
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts)	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
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 as at 31 January 2021 was RM128.5 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 assesses the provisions at each reporting date and adjusts 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 second interim single tier 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 22 January 2021.

The first interim single tier 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 1.60 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 second interim dividend paid on 22 January 2021	8,984,320	-	0.80	-
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>17,968,640</u>	<u>17,968,640</u>	<u>1.60</u>	<u>1.60</u>

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Segment information is presented in respect of the Group's two core products based operating segments.

Segment information for the period ended 31 January 2021 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	392,506	168,622	561,128
Result			
Segment results	51,175	30,677	81,852
Interest income	87	8	95
Operating profit	51,262	30,685	81,947
Finance costs	(6,129)	(1,101)	(7,230)
Segment profit	45,133	29,584	74,717
Included in the measure of segment profit are			
- depreciation	28,527	8,032	36,559
- non-cash expenses other than depreciation and amortisation	(13,561)	(488)	(14,049)
Segment assets	804,711	155,278	959,989
Included in the measure of segment assets is			
- capital expenditure	43,642	2,973	46,615

Segment information for the period ended 31 January 2020 are as follows:

	Paper products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	418,045	158,754	576,799
Result			
Segment results	13,948	9,126	23,074
Interest income	227	8	235
Operating profit	14,175	9,134	23,309
Finance costs	(9,785)	(1,117)	(10,902)
Segment profit	4,390	8,017	12,407



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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	23,364	6,630	29,994
- non-cash expenses other than depreciation and amortisation	(1,941)	204	(1,737)
Segment assets	869,229	143,473	1,012,702
Included in the measure of segment assets is			
- capital expenditure	41,948	3,930	45,878

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 RM46.6 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

Save for NTPM Paper Mill (Bentong) Sdn Bhd ceasing to be a subsidiary of the Group on 10 November 2020, 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 31.01.2021 RM'000	As at 30.04.2020 RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	347,083	427,962



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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	
	31.01.2021	31.01.2020	31.01.2021	31.01.2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
Paper Products	134,813	144,657	392,506	418,045
Personal Care Products	58,353	53,017	168,622	158,754
Group	193,166	197,674	561,128	576,799
Profit before tax				
Paper Products	25,058	4,222	45,133	4,390
Personal Care Products	9,826	3,163	29,584	8,017
Group	34,884	7,385	74,717	12,407

Group

Group revenue for the period ended 31 January 2021 was RM561.13 million compared with RM576.8 million for the period ended 31 January 2020, a decrease of 2.7%. The decrease was due to the decrease in sales of Tissue paper products.

The Group's profit before tax for the period ended 31 January 2021 was RM74.7 million, an increase of 502% over RM12.4 million registered in the period ended 31 January 2020 as a result of gross profit margin increased by 8%, other income increased by RM17 million and finance cost decreased by RM3.7 million. From a gross profit perspective, the lower cost of raw material stock consumed during the period coupled with a higher average selling price had contributed to the higher margin. Higher other income was mainly due to the gain on the disposal of subsidiary amounting to RM12.6 million.

Paper Products segment

Revenue from the paper products segment for the period ended 31 January 2021 was RM392.5 million compared with RM418 million for the period ended 31 January 2020, a decrease of 6.1%. This was driven primarily by the decrease in sales volume, especially from hospitality industry.

Profit before tax in the paper products segment for the period ended 31 January 2021 was RM45.1 million, an increase of 928% over RM4.4 million registered in the previous period. The increase in profit before tax was due to higher gross profit, higher other income and lower finance cost. Despite a slight reduction in sales volume, gross profit for the paper products segment was higher arising



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from lower cost of raw material stock of virgin pulp and waste paper consumed and higher average selling price. Higher other income was mainly due to the gain on the disposal of subsidiary amounting to RM12.6 million.

Personal Care Products segment

Revenue from the personal care products segment for the period ended 31 January 2021 was RM168.6 million compared with RM158.8 million recorded in the period ended 31 January 2020, an increase of 6.2%. This was mainly driven by the increase in revenue generated from Wet Tissue and Cotton Products.

Profit before tax in the personal care products segment for the period ended 31 January 2021 was RM29.6 million, an increase of 269% over RM8 million registered in the period ended 31 January 2020. The increase in profit before tax was mainly due to the lower cost of raw material stock consumed recorded in the current period.

15. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	31.01.2021	31.10.2020		
	RM'000	RM'000	RM'000	%
Revenue	193,166	188,672	4,494	2.4
Profit before tax	34,884	20,449	14,435	70.6

Revenue for the quarter ended 31 January 2021 increased by RM4.5 million or 2.4% as compared to the preceding quarter. The increase was mainly due to the increase in sales of Tissue paper products. The Group's consolidated profit before tax increased by RM14.4 million or 70.6% for the current quarter as compared to the preceding quarter. The increase was mainly due to the gain on the disposal of subsidiary amounting to RM12.6 million and the lower selling and distribution expenses incurred.

16. Prospects

The COVID-19 pandemic is a public health menace which has created tremendous uncertainties for businesses and economy. The arrival of the COVID-19 vaccines gives hope for humanity to win the battle against the pandemic which will lead to a new normal evolving thereafter.

The Group has taken the necessary actions to protect its manpower, sustain its operation and grow its revenue and profitability despite one of its market segments, the hospitality industry having been severely impacted the pandemic. Through the careful planning in the sourcing of the Group's raw materials mainly virgin pulp and waste paper at the lower prices, the Group has benefited from its lower raw materials cost up to the current year reporting quarter ended 31 January 2021.

However, since the start of 2021, commodities prices have increased generally, partly due to the perceived increase in demand from the expected improvement in the global economy with the



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arrival of the COVID-19 vaccines despite the supply chain constraint having been disrupted by the pandemic. The prices of the Group's main raw materials of virgin pulp and waste paper have similarly seen a rapid rise. The Group will continue to manage its raw material sourcing diligently, but it will not be able to avoid being affected by the rising pulp and wastepaper prices. Unless it can successfully pass on such cost increases to its customers, the Group may not be able to maintain its current profit margin.

The Group will remain proactive in responding to the abovementioned changing environment and will continue to closely monitor its cost, widen its customer base and expand its distribution channel. The Group is optimistic of its prospects for the current financial year ending 30 April 2021.

17. Variance of actual profit from profit forecast

Not applicable.

18. Taxation

	Current Quarter 3 months ended 31 January 2021 RM'000	Period to date 9 months ended 31 January 2021 RM'000
Income tax		
Current year	4,329	15,457
Prior year	-	-
	<u>4,329</u>	<u>15,457</u>
Deferred tax		
Current year	872	1,195
Prior year	-	-
	<u>5,201</u>	<u>16,652</u>

The Group's effective tax rate for the current quarter/period to date is lower than the statutory tax rate principally due to certain income not being subject to tax.

19. Status on corporate proposals

There were no significant corporate proposals for the current period to date, other than the disposal of 100% equity interest held in NTPM Paper Mill (Bentong) Sdn. Bhd. which was completed on 10 November 2020, as disclosed in Note 11.

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	31 January 2021
	RM'000
Non-current	
Unsecured	
Long term loans	50,538
Current	
Unsecured	
Bankers' acceptance	66,664
Onshore Foreign Currency Loan (OFCL)	12,785
Revolving Credit (RC)	144,268
Term loans	67,515
Trust Receipt	5,313
	<u>347,083</u>

The borrowings are denominated in the following currencies:

	31 January 2021			
	RM'000			
	Vietnam Dong	Ringgit Malaysia	US Dollar	Total
Bankers' acceptance	-	66,664	-	66,664
Onshore Foreign Currency Loan (OFCL)	-	-	12,785	12,785
Revolving Credit ("RC")	-	61,400	82,868	144,268
Term Loans	-	63,818	54,235	118,053
Trust Receipt	5,313	-	-	5,313
	<u>5,313</u>	<u>191,882</u>	<u>149,888</u>	<u>347,083</u>

As at 31 January 2021, NTPM (Singapore) Pte Ltd ("NSPL")'s long term loan amounting to RM32.7 million has been presented under current liabilities as at 31 January 2021 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 January 2021, 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 (RM32.7 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 1.1 (current ratio as at 31 January 2021: 1.02).



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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 January 2021, 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>		
Singapore Dollar Less than 1 year	10,160	10,146

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. Arising from fair value changes of financial derivative, during the current quarter, the Group recognised a loss on derivative of RM13,000 and for financial period ended 31 January 2021, a gain of RM198,000. 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 January 2021. 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.

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A single tier third interim dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2021 has been declared on 19 March 2021 and is to be paid on 23 April 2021 to depositors registered in the records of Depositors at the close of business on 5 April 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 30 April 2021.

The second interim single tier 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 22 January 2021.

The first interim single tier 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 declared to date during the current financial year is 2.40 sen.

	Dividend declared		Net Dividend per share	
	2021 RM	2020 RM	2021 Sen	2020 Sen
In respect of the financial year 2021:				
Single tier third interim dividend declared on 19 March 2021	8,984,320	-	0.80	-
Single tier second interim dividend declared on 18 December 2020 and paid on 22 January 2021	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
	<u>26,952,960</u>	<u>8,984,320</u>	<u>2.40</u>	<u>0.80</u>

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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.

	Quarter Ended 31 January		9 Months Period Ended 31 January	
	2021	2020	2021	2020
Net profit attributable to shareholders (RM'000)	29,683	3,072	58,065	2,220
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)	2.6	0.3	5.2	0.2

By Order of the Board**Company Secretary****DATED THIS 19th March, 2021**