



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2021

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Second Quarter Ended 31 Oct 2021	Second Quarter Ended 31 Oct 2020	6 Months Ended 31 Oct 2021	6 Months Ended 31 Oct 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	180,806	188,672	354,568	367,962
Operating profit	8,085	22,758	29,422	44,981
Interest income	36	41	82	87
Interest expense	(1,753)	(2,350)	(3,537)	(5,235)
Profit before tax	6,368	20,449	25,967	39,833
Income tax expense	(3,017)	(6,711)	(6,827)	(11,451)
Profit net of tax	3,351	13,738	19,140	28,382
Profit attributable to:				
Owners of the parent	3,351	13,738	19,140	28,382
Non-controlling interests	-	-	-	-
	3,351	13,738	19,140	28,382
Basic/Diluted earnings per ordinary share (sen)	0.3	1.2	1.7	2.5

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2021.

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 QUARTER ENDED 31 OCTOBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Second Quarter Ended 31 Oct 2021	Second Quarter Ended 31 Oct 2020	6 Months Ended 31 Oct 2021	6 Months Ended 31 Oct 2020
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	3,351	13,738	19,140	28,382
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	411	1,589	(2,648)	2,482
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				
Total comprehensive income for the period	3,762	15,327	16,492	30,864
Total comprehensive income attributable to:				
Owners of the parent	3,762	15,327	16,492	30,864
Non-controlling interests	-	-	-	-
	3,762	15,327	16,492	30,864

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2021.

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NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Second Quarter Ended	Second Quarter Ended	6 Months Ended	6 Months Ended
	31 Oct 2021	31 Oct 2020	31 Oct 2021	31 Oct 2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(36)	(41)	(82)	(87)
(b) Other income including investment income	(1,741)	(697)	(2,192)	(1,641)
(c) Interest expense	1,753	2,350	3,537	5,235
(d) Depreciation	12,275	12,355	24,323	25,007
(e) Impairment loss on receivables	150	197	300	347
(f) Foreign exchange loss/ (gain)	1,930	(1,929)	(6,117)	(3,907)
(g) Gain on derivatives	(170)	(86)	(153)	(211)

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 2021.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 Oct 2021	(Audited) As at 30 April 2021
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	548,722	554,148
RIGHT OF USE	36,938	37,656
DEFERRED TAX ASSETS	799	870
	<u>586,459</u>	<u>592,674</u>
CURRENT ASSETS		
Inventories	194,110	204,125
Trade receivables	104,551	103,134
Tax receivable	5,351	7,997
Other receivables	40,276	31,441
Derivative assets	82	-
Cash and bank balances	36,974	51,483
	<u>381,344</u>	<u>398,180</u>
TOTAL ASSETS	<u>967,803</u>	<u>990,854</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(109)	(109)
RESERVES	387,720	380,212
TOTAL EQUITY	<u>499,931</u>	<u>492,423</u>
NON-CURRENT LIABILITIES		
BORROWINGS	40,604	47,053
DEFERRED TAX LIABILITIES	17,759	21,547
LEASE LIABILITIES	1,514	1,972
RETIREMENT BENEFIT OBLIGATIONS	13,431	12,786
	<u>73,308</u>	<u>83,358</u>
CURRENT LIABILITIES		
Retirement benefit obligations	742	742
Borrowings	292,984	298,054
Lease liabilities	1,810	1,810
Trade payables	30,405	32,591
Other payables	67,726	79,228
Tax payable	897	2,577
Derivative liabilities	-	71
	<u>394,564</u>	<u>415,073</u>
TOTAL LIABILITIES	<u>467,872</u>	<u>498,431</u>
TOTAL EQUITY AND LIABILITIES	<u>967,803</u>	<u>990,854</u>
Net Assets per share (RM)	<u>0.45</u>	<u>0.44</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2021.

The accompanying notes are an integral part of this statement.



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Six Months Ended 31 Oct 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	
At 1 May 2021	112,320	(109)	88,119	292,093	492,423	-	492,423
Total comprehensive income for the period	-	-	(2,648)	19,140	16,492	-	16,492
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 2021	112,320	(109)	85,471	302,249	499,931	-	499,931

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	
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

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2021

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2021**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	6 months ended 31 Oct 2021 RM'000	6 months ended 31 Oct 2020 RM'000
OPERATING ACTIVITIES		
Profit before tax	25,967	39,833
Adjustments for:		
Amortisation of land use rights	-	-
Bad debts written off	54	47
Depreciation	22,534	23,689
Depreciation- Right of Use Assets	1,789	1,318
Interest expense	3,457	5,159
Interest expense- Lease	80	76
Interest income	(82)	(87)
Gain on disposal of property, plant and equipment	(37)	(31)
Net fair value gain on derivatives	(153)	(211)
Plant and equipment written off	116	356
Increase in liability for defined benefit plan	1,107	423
Impairment loss on loan and receivables	300	300
Unrealised foreign exchange gain	(8,041)	(2,798)
Total adjustments	21,124	28,241
Operating cash flows before changes in working capital	47,091	68,074
Changes in working capital		
(Increase)/ decrease in receivables	(8,614)	10,334
Decrease in inventories	10,641	10,269
Decrease in payable	(9,280)	(11,258)
Decrease in retirement benefit obligations	(460)	(184)
Total changes in working capital	(7,713)	9,161
Cash flows generated from operations	39,378	77,235
Interest paid	(3,457)	(5,159)
Tax paid	(9,580)	(6,308)
Net cash flow generated from operating activities	26,341	65,768
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,378)	(21,863)
Interest received	82	87
Proceeds from disposal of plant and equipment	62	62
Net cash used in investing activities	(14,234)	(21,714)
FINANCING ACTIVITIES		
Net change in bank borrowings	(15,558)	(48,002)
Payment of lease liabilities	(1,272)	(1,112)
Dividends paid to shareholders	(8,984)	(8,984)
Net cash generated from/ (used in) financing activities	(25,814)	(58,098)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,707)	(14,044)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	51,483	48,773
Effects of exchange rate changes	(802)	(72)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	36,974	34,657
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	7,259	10,885
Deposits with licensed banks:		
Fixed deposit	17,467	14,708
Short term placements	12,248	9,064
	36,974	34,657

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 May 2021 RM'000	Cash Flows RM'000	Others RM'000	Foreign exchange movement RM'000	Carrying amount as at 31 Oct 2021 RM'000
Loan and borrowing	345,107	(15,558)	-	4,039	333,588
Lease liabilities	3,782	(1,272)	791	23	3,324
Total liabilities from financing activities	348,889	(16,830)	791	4,062	336,912

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2021.

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 2021. 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 2021.

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 2021. The Group had adopted the following Amendments to Standards:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2
- Amendment to MFRS 16 Leases: COVID-19-Related Rent Concessions

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
Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018–2020”	1 January 2022
Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment—Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023



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2. Significant Accounting Policies (Cont'd)

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. (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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.

(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 October 2021 was RM134.5 million (30 April 2021: RM128.6 million).



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3. Significant Accounting Estimates and Judgements (Cont'd)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(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 financial year ended 30 April 2021 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 current financial quarter and 6 months ended 31 October 2021.

6. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter and 6 months ended 31 October 2021.

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There were no material changes in estimates of amount reported in prior financial quarter that have a material effect in the current financial quarter and 6 months ended 31 October 2021.

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial quarter and 6 months ended 31 October 2021.

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 2022 amounting to RM8,984,320 was paid on 29 October 2021.

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

	Dividend recognized in the financial year		Net Dividend per share	
	2022	2021	2022	2021
	RM	RM	Sen	Sen
In respect of the financial year 2022:				
Single tier first interim dividend paid on 29 October 2021	8,984,320	-	0.80	-
In respect of the financial year 2021:				
Single tier third interim dividend paid on 23 April 2021	-	8,984,320	-	0.80
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
	8,984,320	26,952,960	0.80	2.40

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

Segment information for the 6 months ended 31 October 2021 are as follows:

	Tissue Paper Products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	245,186	109,382	354,568
Result			
Segment results	10,234	19,188	29,422
Interest income	75	7	82
Operating profit	10,309	19,195	29,504
Finance costs	(2,878)	(659)	(3,537)
Segment profit	7,431	18,536	25,967
Included in the measure of segment profit are			
- depreciation	(20,192)	(4,131)	(24,323)
- non-cash expenses other than depreciation and amortisation	6,877	109	6,986
Segment assets	834,434	133,369	967,803
Included in the measure of segment assets is			
- capital expenditure	14,693	396	15,089

Segment information for the 6 months ended 31 October 2020 are as follows:

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



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9. Segment Information (Cont'd)

Segment information for the 6 months ended 31 October 2020 are as follows: (cont'd)

	Tissue Paper Products RM'000	Personal Care Products RM'000	Consolidated RM'000
Included in the measure of segment profit are			
- depreciation and amortisation	(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

10. Valuation of Property, Plant and Equipment

The carrying value of land and building is based on the latest valuation performed on 30 April 2021 by independent qualified valuers.

During current financial quarter ended 31 October 2021, the acquisition and disposal of property, plant and equipment amounted to RM14.4 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 current financial quarter and 6 months ended 31 October 2021 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 6 months ended 31 October 2021.

13. Changes in Corporate Guarantees, Contingent Liabilities or Contingent Assets

The corporate guarantees of the Company are as follows:

	As at 31.10.2021 RM'000	As at 30.04.2021 RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	333,588	345,107

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**INTERIM FINANCIAL REPORT
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	Individual Quarter		Cumulative Quarters	
	Second Quarter Ended		6 Months Ended	
	31.10.2021	31.10.2020	31.10.2021	31.10.2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
Tissue Paper Products	124,431	129,670	245,186	257,693
Personal Care Products	56,375	59,002	109,382	110,269
Group	180,806	188,672	354,568	367,962
Profit before tax				
Tissue Paper Products	(3,063)	10,860	7,431	20,075
Personal Care Products	9,431	9,589	18,536	19,758
Group	6,368	20,449	25,967	39,833

Performance of the Current Financial Quarter against the Preceding Year Corresponding Financial Quarter

Group revenue for the current financial quarter ended 31 October 2021 was RM180.8 million, a decrease of 4.2% as compared to RM188.7 million for the financial quarter ended 31 October 2020. The decrease was due to the decrease in sales of tissue paper and personal care products. Tissue paper and personal care products demand on the consumer side was negatively impacted by lower demand from more severe COVID-19 pandemic situation with total lockdown nationwide imposed on 1 June 2021, which was more stringent than the Recovery Movement Control Order imposed on 10 June 2020. Beyond that, Away From Home business segment serving mainly the hospitality sector remained very weak.

The Group's profit before tax for the current financial quarter ended 31 October 2021 was RM6.4 million, a decrease of 68.9% over RM20.4 million registered in the financial quarter ended 31 October 2020. Other than the decline in the revenue, the other drivers for the profit decrease include:

- significant increase in cost of raw materials and freight cost;
- foreign exchange item turning from gain to loss position; and
- higher selling and distribution expenses.

Tissue Paper Products segment

Revenue from the tissue paper products segment for the current financial quarter ended 31 October 2021 was RM124.4 million, a decrease of 4% as compared to RM129.7 million for the financial quarter ended 31 October 2020. The decrease in revenue in the paper products segment was due



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14. Review of Performance (Cont'd)

Performance of the Current Financial Quarter against the Preceding Year Corresponding Financial Quarter (Cont'd)

Tissue Paper Products segment (cont'd)

mainly to the lower consumer demand and the severely affected Away From Home business segment as mentioned above.

The tissue paper products segment recorded a loss before tax for the current financial quarter ended 31 Oct 2021, a decrease of 128.2% over a profit of RM10.9 million registered in the financial quarter ended 31 October 2020. The decrease in profit before tax was mainly due to the increase in cost of raw materials and freight cost. Besides, the gain-to-loss position on foreign exchange and higher selling and distribution expenses have further widened the comparative profitability.

Personal Care Products segment

Revenue from the personal care products segment for the current financial quarter ended 31 October 2021 was RM56.4 million, a decrease of 4.5% as compared to RM59 million recorded in the financial quarter ended 31 October 2020. This was mainly driven by the decrease in revenue generated from all personal care products except cotton products.

Profit before tax in the personal care products segment for the current financial quarter ended 31 October 2021 was RM9.4 million, a decrease of 1.6% over RM9.6 million registered in the financial quarter ended 31 October 2020. The decrease in profit before tax was mainly due to lower sales in the current financial quarter ended 31 October 2021.

Performance of the Current 6 Months Financial Period against Preceding Year Corresponding 6 Months Financial Period

The Group recorded a revenue of RM354.6 million in the 6 months ended 31 October 2021, which is a 3.6% decrease from the RM368 million recorded in the 6 months ended 31 October 2020. The decrease was mainly due to the decrease in sales of both products segments especially the tissue paper products.

The Group's profit before tax in the 6 months ended 31 October 2021 was RM26 million, a decrease of 34.8% over RM39.8 million registered in the 6 months ended 31 October 2020. The decrease in profit before taxation was mainly driven by the higher raw materials and freight cost and higher selling and distribution expenses.

Tissue Paper Products segment

Revenue from the tissue paper products segment in the 6 months ended 31 October 2021 was RM245.2 million, a decrease of 4.9% as compared to RM257.7 million in the 6 months ended 31 October 2020. Tissue paper products demand on the consumer side was negatively impacted by consumer and retailer de-stocking following the stocking up that occurred in April 2021 related to inflationary headwinds and the total COVID-19 pandemic lockdown nationwide imposed on 1 June 2021. Beyond that, Away From Home business segment serving mainly the hospitality sector remained very weak with the pandemic movement control order restrictions.

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Corresponding 6 Months Financial Period (Cont'd)****Tissue Paper Products segment (cont'd)**

Profit before tax in the tissue paper products segment in the 6 months ended 31 October 2021 was RM7.4 million, a decrease of 63% over RM20.1 million registered in the 6 months ended 31 October 2020. The decrease in profit before tax was mainly due to lower revenue and the increase in cost of raw materials, freight and higher selling and distribution expenses.

Personal Care Products segment

Revenue from the personal care products segment in the 6 months ended 31 October 2021 was RM109.4 million, a decrease of 0.8% as compared to RM110.3 million recorded in the 6 months ended 31 October 2020. This was mainly driven by the decrease in revenue generated from baby diaper products.

Profit before tax in the personal care products segment in the 6 months ended 31 October 2021 was RM18.5 million, a decrease of 6.2% over RM19.8 million registered in the 6 months ended 31 October 2020. The decrease in profit before tax was mainly due to lower sales recorded in the 6 months ended 31 October 2021. The higher selling and distribution expenses have further decreased the profitability of the Group in the personal care products segment.

15. Comparison with Immediate Preceding Financial Quarter's Results

	Individual Financial Quarter		Variance	
	Second Quarter Ended 31.10.2021	First Quarter Ended 30.07.2021		
	RM'000	RM'000	RM'000	%
Revenue	180,806	173,762	7,044	3.9
Profit before tax	6,368	19,599	(13,231)	(207.8)

Revenue for the current financial quarter ended 31 October 2021 increased by RM7 million or 3.9% as compared to the financial quarter ended 31 July 2021. The increase was due to the increase in average selling price in sales of both tissue paper and personal care products especially local sales, consumer side

The Group's consolidated profit before tax decreased by RM13.2 million or 207.8% for the current financial quarter ended 31 October 2021 as compared to the financial quarter ended 31 July 2021. The decrease in profit before taxation was mainly due to the higher raw materials, packaging materials and overhead cost recorded in the current financial quarter ended 31 October 2021 as compared to the financial quarter ended 31 July 2021. The gain-to-loss position on foreign exchange has further enlarged the profitability variance.



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16. Prospects

The Group operates in a very competitive and challenging market environment which has been exacerbated by the Covid-19 pandemic and movement control order restrictions imposed by governments particularly in Malaysia and Vietnam where its production plants are located. The Group has to also contend with rising prices (which continued to be very volatile due to supply chain dynamics adversely affected by the Covid-19 pandemic) of its key inputs such as pulp, waste papers as well as freight and overheads. As such, despite having been able to maintain its revenue level as compared to its revenue for the preceding year corresponding financial quarter, the Group has however recorded a much lower profit in the current financial quarter ended 31 October 2021 as compared to the preceding year corresponding financial quarter.

The Group expects its business environment to remain challenging but less volatile in the ensuing quarters. The Group will also continue to implement measures to control its costs, optimise its working capital, preserve its cash and streamline its operations (where the Group's production level has reverted to 100% since October 2021) as part of the Group's efforts to minimise the impact of the Covid-19 pandemic on its financial performance. As such, the Group is cautiously optimistic that its financial performance will improve in the ensuing quarter.

17. Variance of Actual Profit from Profit Forecast

Not applicable.

18. Taxation

	Second Quarter Ended 31 Oct 2021 RM'000	6 Months Ended 31 Oct 2021 RM'000
Income tax		
Current year	4,878	10,543
	<u>4,878</u>	<u>10,543</u>
Deferred tax		
Current year	(1,861)	(3,716)
	<u>3,017</u>	<u>6,827</u>

The Group's effective tax rate for the current financial quarter ended 31 October 2021 is higher than the statutory tax rate mainly due to the unutilised tax loss for certain subsidiaries not recognised as deferred tax assets.

The Group's effective tax rate for the 6 months ended 31 October 2021 is lower than the statutory tax rate principally due to the utilisation of unabsorbed tax losses and unutilised capital allowances brought forward by certain subsidiaries of the Group.

19. Status on Corporate Proposals

There were no significant corporate proposals for the current financial quarter and the 6 months ended 31 October 2021.

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	31 October 2021
	RM'000
Non-current	
Unsecured	
Long term loans	40,604
Current	
Unsecured	
Bankers' acceptance	46,568
Onshore foreign currency loan	24,487
Revolving credit	164,209
Term loans	47,783
Trust receipt	9,937
	<u>333,588</u>

The borrowings are denominated in the following currencies:

	31 October 2021			
	RM'000			
	Vietnam	Ringgit	US	Total
	Dong	Malaysia	Dollar	
Bankers' acceptance	-	46,568	-	46,568
Onshore foreign currency loan	-	-	24,487	24,487
Revolving credit	-	61,400	102,809	164,209
Term loans	-	53,884	34,503	88,387
Trust receipt	8,685	-	1,252	9,937
	<u>8,685</u>	<u>161,852</u>	<u>163,051</u>	<u>333,588</u>

NTPM (Singapore) Pte Ltd ("NSPL")'s long term loan amounting to RM18.1 million has been presented under current liabilities as at 31 October 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 October 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 (RM18.1 million) as current liabilities even though the term loan is not due to be settled within 12 months after the current financial quarter. This has resulted in the current ratio of 0.97 recorded by the Group as at 31 October 2021. Without such reclassification, the current ratio would have been 1.01.



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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 October 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	9,749	9,723
<u>Bank Buy</u>		
US Dollar Less than 1 year	2,127	2,073

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 financial quarter ended 31 October 2021, the Group recognised a gain on derivative of RM170,000 and in the 6 months ended 31 October 2021, a gain of RM153,000. The fair value changes are attributable to changes in foreign exchange spot and forward rates.

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 in the 6 months ended 31 October 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 2021.

22. Material litigation

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

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The first interim single tier dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2022 amounting to RM8,984,320 was paid on 29 October 2021.

A single tier interim dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2022 has been declared on 17 December 2021 and is to be paid on 21 January 2022 to depositors registered in the records of Depositors at the close of business on 3 January 2022. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial quarter ending 31 January 2022.

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

	Dividend declared		Net Dividend per share	
	2022	2021	2022	2021
	RM	RM	Sen	Sen
In respect of the financial year 2022:				
Single tier second interim dividend declared on 17 December 2021	8,984,320	-	0.80	-
Single tier first interim dividend declared on 24 September 2021 and paid on 29 October 2021	8,984,320		0.80	
In respect of the financial year 2021:				
Single tier third interim dividend declared on 19 March 2021 and paid on 23 April 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
	<u>17,968,640</u>	<u>8,984,320</u>	<u>1.60</u>	<u>2.40</u>

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NOTES TO THE INTERIM FINANCIAL REPORT**24. Basic Earnings Per Share**

Basic earnings per ordinary share is calculated based on the Group's net profit attributable to ordinary shareholders over the weighted average number of ordinary shares in issue as follows:

	Individual Quarter		Cumulative Quarters	
	First Quarter Ended		6 Months Ended	
	31.10.2021	31.10.2020	31.10.2021	31.10.2020
Net profit attributable to ordinary shareholders (RM'000)	3,351	13,738	19,140	28,382
Weighted average number of ordinary shares in issue ('000)	1,123,040	1,123,040	1,123,040	1,123,040
Basic earnings per ordinary share (sen)	0.3	1.2	1.7	2.5

By Order of the Board**Company Secretary****DATED THIS 17th December, 2021**