



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2022

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Third Quarter Ended 31 Jan 2022	Third Quarter Ended 31 Jan 2021	9 Months Ended 31 Jan 2022	9 Months Ended 31 Jan 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	209,490	193,166	564,058	561,128
Operating profit	12,227	36,871	41,649	81,852
Interest income	44	8	126	95
Interest expense	(1,774)	(1,995)	(5,311)	(7,230)
Profit before tax	10,497	34,884	36,464	74,717
Income tax expense	(4,880)	(5,201)	(11,707)	(16,652)
Profit net of tax	5,617	29,683	24,757	58,065
Profit attributable to:				
Owners of the parent	5,617	29,683	24,757	58,065
Non-controlling interests	-	-	-	-
	5,617	29,683	24,757	58,065
Basic/Diluted earnings per ordinary share (sen)	0.5	2.6	2.2	5.2

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 JANUARY 2022

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Third Quarter Ended 31 Jan 2022	Third Quarter Ended 31 Jan 2021	9 Months Ended 31 Jan 2022	9 Months Ended 31 Jan 2021
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	5,617	29,683	24,757	58,065
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(1,508)	1,620	(4,156)	4,102
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	4,109	31,303	20,601	62,167
Total comprehensive income attributable to:				
Owners of the parent	4,109	31,303	20,601	62,167
Non-controlling interests	-	-	-	-
	4,109	31,303	20,601	62,167

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	
	Third Quarter Ended 31 Jan 2022	Third Quarter Ended 31 Jan 2021	9 Months Ended 31 Jan 2022	9 Months Ended 31 Jan 2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(44)	(8)	(126)	(95)
(b) Other income including investment income	(1,007)	(1,386)	(3,199)	(3,027)
(c) Interest expense	1,774	1,995	5,311	7,230
(d) Depreciation	13,313	11,552	37,636	36,559
(e) Impairment loss on receivables	204	40	504	387
(f) Foreign exchange gain	(296)	(2,682)	(6,413)	(6,589)
(g) Loss/ (gain) on derivatives	86	13	(67)	(198)
(h) Gain on disposal of subsidiaries	-	(12,612)	-	(12,612)
(i) Gain on termination of lease	(39)	-	(39)	-

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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INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2022

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 Jan 2022	(Audited) As at 30 April 2021
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	548,707	554,148
RIGHT OF USE	37,179	37,656
DEFERRED TAX ASSETS	841	870
	<u>586,727</u>	<u>592,674</u>
CURRENT ASSETS		
Inventories	198,355	204,125
Trade receivables	124,404	103,134
Tax receivable	5,809	7,997
Other receivables	43,392	31,441
Derivative assets	-	-
Cash and bank balances	36,114	51,483
	<u>408,074</u>	<u>398,180</u>
TOTAL ASSETS	<u>994,801</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	382,844	380,212
TOTAL EQUITY	<u>495,055</u>	<u>492,423</u>
NON-CURRENT LIABILITIES		
BORROWINGS	37,293	47,053
DEFERRED TAX LIABILITIES	18,795	21,547
LEASE LIABILITIES	1,401	1,972
RETIREMENT BENEFIT OBLIGATIONS	13,755	12,786
	<u>71,244</u>	<u>83,358</u>
CURRENT LIABILITIES		
Retirement benefit obligations	742	742
Borrowings	307,851	298,054
Lease liabilities	1,752	1,810
Trade payables	45,471	32,591
Other payables	72,132	79,228
Tax payable	550	2,577
Derivative liabilities	4	71
	<u>428,502</u>	<u>415,073</u>
TOTAL LIABILITIES	<u>499,746</u>	<u>498,431</u>
TOTAL EQUITY AND LIABILITIES	<u>994,801</u>	<u>990,854</u>
Net Assets per share (RM)	<u>0.44</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.

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INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2022

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Nine Months Ended 31 Jan 2022

	← 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	-	-	(4,156)	24,757	20,601	-	20,601
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 2022	112,320	(109)	83,963	298,881	495,055	-	495,055

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	
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

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 JANUARY 2022**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	9 months ended 31 Jan 2022 RM'000	9 months ended 31 Jan 2021 RM'000
OPERATING ACTIVITIES		
Profit before tax	36,464	74,717
Adjustments for:		
Amortisation of land use rights	-	-
Bad debts written off	54	47
Depreciation	35,134	34,583
Depreciation- right of use assets	2,502	1,976
Interest expense	5,220	7,108
Interest expense- Lease	91	122
Interest income	(126)	(95)
Gain on disposal of subsidiary	-	(12,612)
Gain on disposal of property, plant and equipment	(34)	(328)
Gain on termination of lease	(39)	-
Net fair value gain on derivatives	(67)	(198)
Plant and equipment written off	122	444
Increase in liability for defined benefit plan	1,745	611
Impairment loss on loan and receivables	450	340
Unrealised foreign exchange gain	(8,041)	(2,798)
Total adjustments	37,011	29,200
Operating cash flows before changes in working capital	73,475	103,917
Changes in working capital		
(Increase)/ decrease in receivables	(29,102)	13,915
Decrease in inventories	6,929	16,895
Decrease in payable	3,408	(12,063)
Decrease in retirement benefit obligations	(774)	(253)
Total changes in working capital	(19,539)	18,494
Cash flows generated from operations	53,936	122,411
Interest paid	(5,220)	(7,108)
Tax paid	(14,274)	(10,067)
Net cash flow generated from operating activities	34,442	105,236
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,906)	(46,615)
Additional of right of use assets	(329)	-
Interest received	126	95
Proceeds from disposal of plant and equipment	88	360
Proceeds from disposal of subsidiary	-	27,500
Net cash used in investing activities	(25,021)	(18,660)
FINANCING ACTIVITIES		
Net change in bank borrowings	(4,503)	(83,537)
Payment of lease liabilities	(1,791)	(1,700)
Dividends paid to shareholders	(17,969)	(17,969)
Net cash generated used in financing activities	(24,263)	(103,206)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,842)	(16,630)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	51,483	48,773
Effects of exchange rate changes	(527)	11
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	36,114	32,154
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	6,399	6,347
Deposits with licensed banks:		
Fixed deposit	17,467	12,666
Short term placements	12,248	13,141
	36,114	32,154

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 Jan 2022 RM'000
Loan and borrowing	345,107	(4,503)	-	4,540	345,144
Lease liabilities	3,782	(1,791)	1,128	34	3,153
Total liabilities from financing activities	348,889	(6,294)	1,128	4,574	348,297

The Condensed Consolidated Statements of Cash Flow 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 JANUARY 2022

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 financial year ended 30 April 2021 (“FY2021”). 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 FY2021.

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 FY2021. 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
- Amendments to MFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9

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 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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NOTES TO THE INTERIM FINANCIAL REPORT

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
Amendment to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9—Comparative Information	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 January 2022 was RM136.4 million (30 April 2021: RM128.6 million).



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NOTES TO THE INTERIM FINANCIAL REPORT

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 FY2021 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 third financial quarter and 9 months ended 31 January 2022 ("Q3FY2022" and "9MFY2022" respectively).

6. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for Q3FY2022 and 9MFY2022.

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There were no material changes in estimates of amount reported in prior financial quarter ended 31 October 2021 (“Q2FY2022”) that have a material effect in Q3FY2022 and 9MFY2022.

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for Q3FY2022 and 9MFY2022.

8. Dividend Paid

The single tier second interim dividend of 0.80 sen per ordinary share in respect of the FY2022 amounting to RM8,984,320 was paid on 21 January 2022.

The single tier first interim dividend of 0.80 sen per ordinary share in respect of the FY2022 amounting to RM8,984,320 was paid on 29 October 2021.

The total dividend per share paid to-date during FY2022 is 1.60 sen.

	Dividend recognized in		Dividend per share	
	2022	2021	2022	2021
	RM	RM	Sen	Sen
In respect of FY2022				
Single tier second interim dividend paid on 21 January 2022	8,984,320	-	0.80	-
Single tier first interim dividend paid on 29 October 2021	8,984,320	-	0.80	-
In respect of FY2021				
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
	17,968,640	26,952,960	1.60	2.40

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

Segment information for 9MFY2022 are as follows:

	Tissue Paper Products RM'000	Personal Care Products RM'000	Consolidated RM'000
Revenue			
Revenue from external customers	392,876	171,182	564,058
Result			
Segment results	13,335	28,314	41,649
Interest income	116	10	126
Operating profit	13,451	28,324	41,775
Finance costs	(4,149)	(1,162)	(5,311)
Segment profit	9,302	27,162	36,464
Included in the measure of segment profit are			
- depreciation	(31,453)	(6,183)	(37,636)
- non-cash expenses other than depreciation and amortisation	5,926	(84)	5,842
Segment assets	847,088	147,713	994,801
Included in the measure of segment assets is			
- capital expenditure	24,282	624	24,906

Segment information for the 9 months ended 31 January 2021 ("9MFY2021") are as follows:

	Tissue 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

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Segment information for 9MFY2021 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	(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

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 9MFY2022, the acquisition and disposal of property, plant and equipment amounted to RM24.9 million and RM0.05 million respectively.

11. Significant And Subsequent Events to The Balance Sheet Date

There were no significant material and subsequent events at the end of Q3FY2022 and 9MFY2022 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 Q3FY2022 and 9MFY2022.

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

The corporate guarantees of the Company are as follows:

	As at 31.01.2022 RM'000	As at 30.04.2021 RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	345,144	345,107

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2022****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		Cumulative Quarters	
	Q3FY2022	Q3FY2021	9MFY2022	9MFY2021
	RM'000	RM'000	RM'000	RM'000
Revenue				
Tissue Paper Products	147,690	134,813	392,876	392,506
Personal Care Products	61,800	58,353	171,182	168,622
Group	209,490	193,166	564,058	561,128
Profit before tax				
Tissue Paper Products	1,871	25,058	9,302	45,133
Personal Care Products	8,626	9,826	27,162	29,584
Group	10,497	34,884	36,464	74,717

Performance of Q3FY2022 against Q3FY2021

Group revenue for Q3FY2022 was RM209.5 million, an increase of 8.5% as compared to RM193.2 million for Q3FY2021. The increase was due to the increase in sales of both tissue paper and personal care products. Tissue paper and personal care products demand increased as business activities picked up when Malaysia transitioned into Phase 3 (26 October 2021) and Phase 4 (31 December 2021) of National Recovery Plan with lesser restrictive containment measures.

The Group's profit before tax for Q3FY2022 was RM10.5 million, a decrease of 69.9% over RM34.9 million registered in Q3FY2021. Other than the gain on the disposal of subsidiary amounting to RM12.6 million recorded in Q3FY2021, the other causes for the profit decrease include:

- significant increase in cost of raw materials, packaging materials and freight cost;
- higher utility and energy cost
- lower foreign exchange gain; and
- higher selling and distribution expenses.

Tissue Paper Products segment

Revenue from the tissue paper products segment for Q3FY2022 was RM147.7 million, an increase of 9.6% as compared to RM134.8 million for Q3FY2021. The increase in revenue in the paper products segment was due mainly to the increase of demand as mentioned above.



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NOTES TO THE INTERIM FINANCIAL REPORT

14. Review of Performance (Cont'd)

Performance of Q3FY2022 against Q3FY2021 (Cont'd)

Tissue Paper Products segment (cont'd)

Profit before tax in the tissue paper products segment for Q3FY2022 was RM1.9 million, a decrease of 92.5% over RM25.1 million registered in Q3FY2021. The decrease in profit before tax was mainly due to the gain on the disposal of subsidiary amounting to RM12.6 million recorded in Q3FY2021. Besides, the increase in cost of raw materials, packaging material, and freight cost, the gain-to-loss position on foreign exchange and higher selling and distribution expenses have further widened the period-to-period comparison.

Personal Care Products segment

Revenue from the personal care products segment for Q3FY2022 was RM61.8 million, an increase of 5.9% as compared to RM58.3 million recorded in Q3FY2021. This was mainly driven by the increase in revenue generated from all personal care products except adult diapers products.

Profit before tax in the personal care products segment for Q3FY2022 was RM8.6 million, a decrease of 12.2% over RM9.8 million registered in Q3FY2021. The decrease in profit before tax was mainly due to lower in other income in Q3FY2022.

Performance between 9 Months ended 31 January 2022 ("9MFY2022") and the 9 months ended 31 January 2021 ("9MFY2021")

The Group recorded a revenue of RM564 million in 9MFY2022, which is an 0.5% increase from the RM561.1 million recorded in 9MFY2021. The increase was mainly due to the increase in demand of both products segments as business activities picked up when Malaysia transitioned into Phase 3 (26 October 2021) and Phase 4 (31 December 2021) of National Recovery Plan with lesser restrictive containment measures.

The Group's profit before tax in 9MFY2022 was RM36.5 million, a decrease of 51.2% over RM74.7 million registered in 9MFY2021. The decrease in profit before taxation was mainly caused by the gain on the disposal of subsidiary amounting to RM12.6 million which recorded in 9MFY2021. Besides, the increase in cost of raw materials, packaging material, and freight cost, the gain-to-loss position on foreign exchange and higher selling and distribution expenses have further widened the period-to-period comparison.

Tissue Paper Products segment

Revenue from the tissue paper products segment in 9MFY2022 was RM392.9 million, an increase of 0.1% as compared to RM392.5 million recorded in 9MFY2021. Tissue paper products demand increased as the result of the business activities picking up as Malaysia transitioned into Phase 3 (26 October 2021) and Phase 4 (31 December 2021) of National Recovery Plan with less restrictive containment measures.

Profit before tax in the tissue paper products segment in 9MFY2022 was RM9.3 million, a decrease of 79.4% over RM45.1 million registered in 9MFY2021. The decrease in profit before tax was mainly due to the increase in cost of raw materials, packing materials, freight and higher selling and distribution expenses. Besides, the gain on the disposal of subsidiary amounting to RM12.6 million recorded in 9MFY2021 have further widened the period-to-period comparison.



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14. Review of Performance (Cont'd)

Performance between 9MFY2022 and 9MFY2021 (Cont'd)

Personal Care Products segment

Revenue from the personal care products segment in 9MFY2022 was RM171.2 million, an increase of 1.5% as compared to RM168.6 million recorded in 9MFY2021. This was mainly due to the increase in revenue generated from all products except adult and baby diaper products.

Profit before tax in the personal care products segment in 9MFY2022 was RM27.2 million, a decrease of 8.2% over RM29.6 million registered in 9MFY2021. The decrease in profit before tax was mainly due to lower sales recorded in the 6MFY2022. The higher selling and distribution expenses have further decreased the profitability of the Group in the personal care products segment.

15. Performance of Q3FY2022 against Q2FY2022

	Individual Financial Quarter		Variance	
	Q3FY2022	Q2FY2022		
	RM'000	RM'000	RM'000	%
Revenue	209,490	180,806	28,684	15.9
Profit before tax	10,497	6,368	4,129	64.8

Revenue for the Q3FY2022 increased by RM28.7 million or 15.9% as compared to Q2FY2022. The increase was due to the increase in demand as the result of the improvement of business activities when Malaysia transitioned into Phase 3 (26 October 2021) and Phase 4 (31 December 2021) of National Recovery Plan with lesser restrictive containment measures.

The Group's consolidated profit before tax increased by RM4.1 million or 64.8% for Q3FY2022 as compared to Q2FY2022. The increase in profit before taxation was mainly due to improvement in production costs as a result of the level of production returning to 100% since Phase 3 (26 October 2021) of the National Recovery Plan.

16. Prospects

The Board expects its business environment to be even more challenging in the final quarter of the current financial year. However, the Board remains cautiously optimistic that the Group will be able to achieve satisfactory performance in the final quarter of the current financial year. Such optimism is based on the Group's continuous efforts in implementing its cost cutting measures and streamlining its operations as well as focusing on product improvement and quality improvement in both the tissue paper and personal care segment.

17. Variance of Actual Profit from Profit Forecast

Not applicable.

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	Q3FY2022	9MFY2022
	RM'000	RM'000
Income tax		
Current year	4,561	15,104
Prior year	(674)	(674)
	<u>3,887</u>	<u>14,430</u>
Deferred tax		
Current year	(453)	(4,169)
Prior year	1,446	1,446
	<u>4,880</u>	<u>11,707</u>

The Group's effective tax rate for Q3FY2022 and 9MFY2022 is higher than the statutory tax rate mainly due to the unutilised tax loss for certain subsidiaries not recognised as deferred tax assets.

19. Status on Corporate Proposals

There were no significant corporate proposals for Q3FY2022 and 9MFY2022.

20. Group Borrowings

	As at 31 January 2022
	RM'000
Non-current	
Unsecured	
Long term loans	37,293
Current	
Unsecured	
Bankers' acceptance	72,670
Onshore foreign currency loan	17,692
Revolving credit	164,821
Term loans	38,689
Trust receipt	13,979
	<u>345,144</u>

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The borrowings are denominated in the following currencies:

	31 January 2022		Total
	RM'000		
	Ringgit Malaysia	US Dollar	
Bankers' acceptance	72,670	-	72,670
Onshore foreign currency loan	-	17,692	17,692
Revolving credit	61,400	103,421	164,821
Term loans	50,572	25,410	75,982
Trust receipt	-	13,979	13,979
	<u>184,642</u>	<u>160,502</u>	<u>345,144</u>

NTPM (Singapore) Pte Ltd ("NSPL")'s long term loan amounting to RM16.1 million has been presented under current liabilities as at 31 January 2022 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 2022, 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 (RM16.1 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 0.95 recorded by the Group as at 31 January 2022. Without such reclassification, the current ratio would have been 0.99.

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 2022, 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



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21. Derivatives Financial Instruments (cont'd)

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 Q3FY2022, the Group recognised a loss on derivative of RM86,000 and in 9MFY2022, a gain of RM67,000. 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 9MFY2022. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for FY2021.

22. Material litigation

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

23. Proposed Dividends

The second 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 21 January 2022.

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.

The total dividend per share declared to-date for FY2022 is 1.60 sen.

	Dividend declared		Dividend per share	
	FY2022 RM	FY2021 RM	FY2022 Sen	FY2021 Sen
In respect of FY2021:				
Single tier second interim dividend declared on 17 December 2021 and paid on 21 January 2022	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	-

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	Dividend declared		Dividend per share	
	FY2022 RM	FY2021 RM	FY2022 Sen	FY2021 Sen
In respect of FY2021:				
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>26,952,960</u>	<u>1.60</u>	<u>2.40</u>

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	
	Q3FY2022	Q3FY2021	9MFY2022	9MFY2021
Net profit attributable to ordinary shareholders (RM'000)	5,617	29,683	24,757	58,065
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)	0.5	2.6	2.2	5.2

By Order of the Board**Company Secretary****DATED THIS 18th March 2022**