



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022

### CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Second Quarter Ended 31 Oct 2022	Second Quarter Ended 31 Oct 2021	6 Months Ended 31 Oct 2022	6 Months Ended 31 Oct 2021
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>220,368</b>	<b>180,806</b>	<b>437,572</b>	<b>354,568</b>
<b>Operating profit</b>	<b>(2,061)</b>	<b>8,085</b>	<b>2,960</b>	<b>29,422</b>
Interest income	64	36	118	82
Interest expense	(3,227)	(1,753)	(5,549)	(3,537)
<b>Profit before tax</b>	<b>(5,224)</b>	<b>6,368</b>	<b>(2,471)</b>	<b>25,967</b>
Income tax expense	1,732	(3,017)	59	(6,827)
<b>Profit net of tax</b>	<b>(3,492)</b>	<b>3,351</b>	<b>(2,412)</b>	<b>19,140</b>
<b>Profit attributable to:</b>				
Owners of the parent	(3,492)	3,351	(2,412)	19,140
Non-controlling interests	-	-	-	-
	<b>(3,492)</b>	<b>3,351</b>	<b>(2,412)</b>	<b>19,140</b>
Basic/Diluted earnings per ordinary share (sen)	(0.3)	0.3	(0.2)	1.7

*The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2022.*

*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 2022

#### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Second Quarter Ended 31 Oct 2022	Second Quarter Ended 31 Oct 2021	6 Months Ended 31 Oct 2022	6 Months Ended 31 Oct 2021
	RM'000	RM'000	RM'000	RM'000
<b>Profit net of tax</b>	(3,492)	3,351	(2,412)	19,140
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	1,543	411	1,381	(2,648)
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	-			
<b>Total comprehensive income for the period</b>	<b>(1,949)</b>	<b>3,762</b>	<b>(1,031)</b>	<b>16,492</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(1,949)	3,762	(1,031)	16,492
Non-controlling interests	-	-	-	-
	<b>(1,949)</b>	<b>3,762</b>	<b>(1,031)</b>	<b>16,492</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2022.

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022

### NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Second Quarter Ended 31 Oct 2022	Second Quarter Ended 31 Oct 2021	6 Months Ended 31 Oct 2022	6 Months Ended 31 Oct 2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(64)	(36)	(118)	(82)
(b) Other income including investment income	(609)	(1,741)	(1,327)	(2,192)
(c) Interest expense	3,227	1,753	5,549	3,537
(d) Depreciation	14,303	12,275	28,238	24,323
(e) Impairment loss on receivables	111	150	311	300
(f) Foreign exchange loss	3,762	1,930	7,590	(6,117)
(g) Gain on derivatives	(42)	(170)	(197)	(153)
(h) Gain on de-registration of a subsidiary	(5)	-	(5)	
(i) Gain on termination of lease	(14)	-	(14)	-

*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 2022.*

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## NTPM HOLDINGS BERHAD

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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022

#### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 Oct 2022	(Audited) As at 30 April 2022
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	566,504	582,756
RIGHT OF USE	38,450	37,673
DEFERRED TAX ASSETS	2,070	853
	<u>607,024</u>	<u>621,282</u>
<b>CURRENT ASSETS</b>		
Inventories	243,963	228,061
Trade receivables	131,961	112,293
Tax receivable	15,948	9,996
Other receivables	44,399	37,708
Cash and bank balances	42,335	49,152
	<u>478,606</u>	<u>437,210</u>
<b>TOTAL ASSETS</b>	<u>1,085,630</u>	<u>1,058,492</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(109)	(109)
RESERVES	398,575	408,590
<b>TOTAL EQUITY</b>	<u>510,786</u>	<u>520,801</u>
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	27,358	33,853
DEFERRED TAX LIABILITIES	20,884	23,673
LEASE LIABILITIES	2,623	1,502
RETIREMENT BENEFIT OBLIGATIONS	14,664	14,027
	<u>65,529</u>	<u>73,055</u>
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	849	849
Borrowings	372,860	334,752
Lease liabilities	2,036	2,036
Trade payables	50,732	51,054
Other payables	82,105	75,054
Tax payable	733	694
Derivative liabilities	-	197
	<u>509,315</u>	<u>464,636</u>
<b>TOTAL LIABILITIES</b>	<u>574,844</u>	<u>537,691</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,085,630</u>	<u>1,058,492</u>
Net Assets per share (RM)	<u>0.45</u>	<u>0.46</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2022.

The accompanying notes are an integral part of this statement.



## NTPM HOLDINGS BERHAD

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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022

#### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Six Months Ended 31 October 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 2022	112,320	(109)	105,968	302,622	520,801	-	520,801
Total comprehensive income for the period	-	-	1,381	(2,412)	(1,031)	-	(1,031)
Transfer of asset revaluation reserve upon disposal	-	-	-	-	-	-	-
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(8,984)	(8,984)	-	(8,984)
Total transactions with owners :	-	-	-	(8,984)	(8,984)	-	(8,984)
<b>At 31 October 2022</b>	<b>112,320</b>	<b>(109)</b>	<b>107,349</b>	<b>291,226</b>	<b>510,786</b>	<b>-</b>	<b>510,786</b>

Six Months Ended 31 October 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
Transfer of asset revaluation reserve upon disposal	-	-	-	-	-	-	-
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(8,984)	(8,984)	-	(8,984)
Total transactions with owners :	-	-	-	(8,984)	(8,984)	-	(8,984)
<b>At 31 October 2021</b>	<b>112,320</b>	<b>(109)</b>	<b>85,471</b>	<b>302,249</b>	<b>499,931</b>	<b>-</b>	<b>499,931</b>

*The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2022*

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**NTPM HOLDINGS BERHAD**

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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	6 months ended 31 Oct 2022 RM'000	6 months ended 31 Oct 2021 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	(2,471)	25,967
Adjustments for:		
Bad debts written off	11	54
Depreciation	26,530	22,534
Depreciation- right of use assets	1,708	1,789
Interest expense	5,483	3,457
Interest expense- lease	66	80
Interest income	(118)	(82)
Gain on de-registration of a subsidiary	(5)	-
Gain on disposal of property, plant and equipment	(5)	(37)
Gain on termination of lease	(14)	-
Net fair value gain on derivatives	(197)	(153)
Plant and equipment written off	-	116
Increase in liability for defined benefit plan	1,156	1,107
Impairment loss on loan and receivables	300	300
Unrealised foreign exchange gain/ (loss)	290	(8,041)
Total adjustments	35,205	21,124
<b>Operating cash flows before changes in working capital</b>	32,734	47,091
Changes in working capital		
Increase in receivables	(3,601)	(8,614)
(Increase)/ decrease in inventories	(15,654)	10,641
Decrease in payable	(13,322)	(9,280)
Decrease in retirement benefit obligations	(518)	(460)
Total changes in working capital	(33,095)	(7,713)
<b>Cash flows (used in)/ generated from operations</b>	(361)	39,378
Interest paid	(5,483)	(3,457)
Tax paid	(9,895)	(9,580)
<b>Net cash flow (used in)/ generated from operating activities</b>	(15,739)	26,341
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(9,752)	(14,378)
Interest received	118	82
Proceeds from disposal of plant and equipment	309	62
<b>Net cash used in investing activities</b>	(9,325)	(14,234)
<b>FINANCING ACTIVITIES</b>		
Net change in bank borrowings	28,560	(15,558)
Payment of lease liabilities	(1,333)	(1,272)
Dividends paid to shareholders	(8,984)	(8,984)
<b>Net cash generated used in financing activities</b>	18,243	(25,814)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(6,821)	(13,707)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	49,152	51,483
Effects of exchange rate changes	4	(802)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	42,335	36,974
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	13,412	7,259
Deposits with licensed banks:		
Fixed deposit	14,651	17,467
Short term placements	14,272	12,248
	42,335	36,974

**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 2022 RM'000
Loan and borrowing	368,605	28,560	-	3,053	400,218
Lease liabilities	3,538	(1,333)	2,395	59	4,659
<b>Total liabilities from financing activities</b>	372,143	27,227	2,395	3,112	404,877

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 April 2022.

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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 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 2022 (“FY2022”). 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 FY2022.

##### 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 FY2022, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2022:

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
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



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 2. Significant Accounting Policies (Cont'd)

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for FY2022, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2022: (cont'd)

Description	Effective for annual periods beginning on or after
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
Amendment to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
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 2022 was RM202.7 million (30 April 2022: RM111.5 million).





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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022

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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 FY2022 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 for the current financial quarter and 6 months ended 31 October 2022.

#### 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 2022.

**NTPM HOLDINGS BERHAD**Company No. 199601012313 (384662-U)  
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FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022****NOTES TO THE INTERIM FINANCIAL REPORT****7. Changes in Estimates**

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 2022.

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 2022.

**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 2023 amounting to RM8,984,320 was paid on 28 October 2022.

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	
	2023 RM	2022 RM	2023 Sen	2022 Sen
<b>In respect of the financial year 2023:</b>				
Single tier first interim dividend paid on 28 October 2022	8,984,320	-	0.80	-
<b>In respect of the financial year 2022:</b>				
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
	<u>8,984,320</u>	<u>17,968,640</u>	<u>0.80</u>	<u>1.60</u>

**9. Segment Information**

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

Segment information for the 6 months ended 31 October 2022 are as follows:

	Tissue Paper Products RM'000	Personal Care Products RM'000	Consolidated RM'000
<b>Revenue</b>			
Revenue from external customers	312,581	124,991	437,572



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**NOTES TO THE INTERIM FINANCIAL REPORT**

	<b>Tissue Paper Products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Result</b>			
Segment results	(10,369)	13,329	2,960
Interest income	107	11	118
Operating profit	(10,262)	13,340	3,078
Finance costs	(3,964)	(1,585)	(5,549)
<b>Segment profit</b>	<b>(14,226)</b>	<b>11,755</b>	<b>(2,471)</b>
Included in the measure of segment profit are			
- depreciation	(24,011)	(4,227)	(28,238)
- non-cash expenses other than depreciation and amortisation	(1,418)	(119)	(1,537)
<b>Segment assets</b>	<b>905,978</b>	<b>179,652</b>	<b>1,085,630</b>
Included in the measure of segment assets is			
- capital expenditure	10,694	2,000	12,694

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

	<b>Tissue Paper Products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>			
Revenue from external customers	245,186	109,382	354,568
<b>Result</b>			
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)
<b>Segment profit</b>	<b>7,431</b>	<b>18,536</b>	<b>25,967</b>
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
<b>Segment assets</b>	<b>834,434</b>	<b>133,369</b>	<b>967,803</b>
Included in the measure of segment assets is			
- capital expenditure	14,693	396	15,089



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 10. Valuation of Property, Plant and Equipment

The carrying value of land and building is based on the latest valuation performed on 30 April 2022 by independent qualified valuers.

During the 6 months ended 31 October 2022, there were acquisition and disposal of plant and equipment amounted to RM9.8 million and RM0.3 million respectively.

#### 11. Significant and Subsequent Events to The Balance Sheet Date

There were no significant material and subsequent events since 31 October 2022 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

Nibong Tebal Paper Products Sdn Bhd. ("NTPP"), a dormant subsidiary company which the Group held 100% equity stake, has voluntarily applied to be struck-off from the Register of Companies Commission of Malaysia. In October 2022, NTPP had been struck-off from the Register.

Saved as disclosed above, there were no other changes in the composition of the Group for the current financial quarter and 6 months ended 31 October 2022.

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

The corporate guarantees of the Company are as follows:

	As at 31.10.2022	As at 30.04.2022
	RM'000	RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	400,218	368,605

**NTPM HOLDINGS BERHAD**Company No. 199601012313 (384662-U)  
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 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	
	First Quarter Ended		6 Months Ended	
	31.10.2022	31.10.2021	31.10.2022	31.10.2021
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Tissue Paper Products	161,101	124,431	312,581	245,186
Personal Care Products	59,267	56,375	124,991	109,382
<b>Group</b>	<b>220,368</b>	<b>180,806</b>	<b>437,572</b>	<b>354,568</b>
<b>Profit before tax</b>				
Tissue Paper Products	(8,325)	(3,063)	(14,226)	7,431
Personal Care Products	3,101	9,431	11,755	18,536
<b>Group</b>	<b>(5,224)</b>	<b>6,368</b>	<b>(2,471)</b>	<b>25,967</b>

**Performance of current financial quarter ended 31 October 2022 (“Q2FY2023”) and preceding year corresponding quarter ended 31 October 2021 (“Q2FY2022”)**

Group revenue for Q2FY2023 was RM220.4 million, an increase of 21.9% as compared to RM180.8 million for Q2FY2022. The increase was due to the increase in sales of both tissue paper and personal care products.

The Group recorded a loss before tax for Q2FY2023, a decrease of 182% over a profit of RM6.4 million registered in Q2FY2022. Higher costs of raw materials, distribution, and operating utilities such as electricity and gas have negative impact to the margin. Besides, the Group also faced higher exchange losses on the weakening of Ringgit Malaysia against US Dollars.

**Tissue Paper Products segment**

Revenue from the tissue paper products segment for Q2FY2023 was RM161.1 million, an increase of 29.5% as compared to RM124.4 million for Q2FY2022. The increase in revenue in the paper products segment was mainly due to the increase in both volume and average selling price. Tissue paper demand increased in local sales, especially for the Away From Home Division resulting from the recovery of economic activities and the reopening of borders.

The tissue paper products segment recorded a loss before tax of RM8.3 million for Q2FY2023, a decrease of 171.8% over a loss of RM3.1 million registered in Q2FY2022. The increase in the losses was mainly due to the increase in the costs of raw materials, distribution, and operating utilities such as electricity and gas. Besides, the weakening of Ringgit Malaysia against US Dollars has further widened the gap in the quarter-to-quarter financial performance.



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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 14. Review of Performance (Cont'd)

##### Performance of Q2FY2023 against Q2FY2022 (Cont'd)

###### Personal Care Products segment

Revenue from the personal care products segment for Q2FY2023 was RM59.3million, an increase of 5.1% as compared to RM56.4 million recorded in Q2FY2022. The increase in revenue in the personal care products segment was mainly due to the increase in average selling price. Personal care products segment demand increased in all personal care products, except for wet tissue and sanitary napkins products.

Profit before tax of the personal care products segment for Q2FY2023 was RM3.1 million, a decrease of 67.1% over RM9.4 million registered in Q2FY2022. The decrease in profit before tax was mainly due to the higher costs of raw materials, freight and utilities. Besides, the weakening of Ringgit Malaysia against US Dollars has further widened the gap in the quarter-to-quarter financial performance.

##### Performance of 6 months ended 31 October 2022 and the 6 months ended 31 October 2021

The Group recorded a revenue of RM437.6 million in the 6 months ended 31 October 2022, which is a 23.4% increase from the RM354.6 million recorded in the 6 months ended 31 October 2021. The increase was mainly due to the increase in sales of both products segments, especially the tissue paper products segment.

The Group recorded a loss before tax of RM2.5 million in the 6 months ended 31 October 2022, a decrease of 109.5% over a profit of RM26.0 million registered in the 6 months ended 31 October 2021. The decrease in profit before tax was mainly due to the higher costs of raw materials, distribution and operating utilities such as electricity and gas. Besides, the Group also faced higher exchange losses due to the weakening of Ringgit Malaysia against US Dollars. The constant elevated costs of raw materials, especially the imported raw materials, and the general inflationary pressure are affecting the bottom line of the business of the Group.

###### Tissue Paper Products segment

Revenue from the tissue paper products segment in the 6 months ended 31 October 2022 was RM312.6 million, an increase of 27.5% as compared to RM245.2 million in the 6 months ended 31 October 2021. The increase in revenue in the paper products segment was mainly due to the increase in both volume and average selling price. Tissue paper demand increased in local sales, especially for the Away From Home Division resulting from the recovery of economic activities and the reopening of borders.

The Group recorded a loss before tax of RM14.2 million in the 6 months ended 31 October 2022, a decrease of 291.4% over a profit of RM7.4 million registered in the 6 months ended 31 October 2021. The decrease in profit before tax was mainly due to the higher costs of raw materials, distribution, and operating utilities such as electricity and gas. Besides, the Group also faced higher exchange losses on the weakening of Ringgit Malaysia against US Dollars.



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#### 14. Review of Performance (Cont'd)

##### Performance of 6 months ended 31 October 2022 and the 6 months ended 31 October 2021 (cont'd)

##### Personal Care Products segment

Revenue from the personal care products segment in the 6 months ended 31 October 2022 was RM125 million, an increase of 14.3% as compared to RM109.4 million recorded in the 6 months ended 31 October 2021. This was mainly driven by the increase in revenue generated from all personal care products. The increase in revenue in the personal care products segment was mainly due to the increase in average selling price.

Profit before tax in the personal care products segment in the 6 months ended 31 October 2022 was RM11.8 million, a decrease of 36.6% over RM18.5 million registered in the 6 months ended 31 October 2021. The higher raw material costs, distribution expenses, utility costs and foreign exchange losses have further decreased the profitability of the Group in the personal care products segment.

#### 15. Performance of Q2FY2023 against preceding quarter ended 31 July 2022 (“Q1FY2023”)

	Individual Financial Quarter		Variance	
	Q2FY2023	Q1FY2023		
	RM'000	RM'000	RM'000	%
Revenue	220,368	217,204	39,562	21.9
Profit before tax	(5,224)	2,753	(11,592)	(182.0)

Revenue for Q2FY2023 of RM220.4 million increased by RM3.2 million or 1.5% as compared to Q1Y2023 of RM217.2 million. The increase was due to the increase in sales of tissue paper products mainly from the increase in volume.

The Group recorded a loss before tax of RM5.2 million for Q2FY2023, a decrease of 289.8% over a profit of RM2.8 million registered in Q1FY2023. The decrease in profit before taxation was mainly due to the higher cost in raw material consumed such as virgin pulp and waste paper despite the increase in revenue. Higher exchange losses on the weakening of Ringgit Malaysia against US Dollars and distribution cost have further decreased the profitability of the Group.

#### 16. Prospects

The Group's business operations environment remains challenging and volatile. However, there are signs that the prices of raw materials, shipping costs, and the foreign exchange rate of the United States Dollar moving in the Group's favour. Despite the overall concern of economic slowdown, the demand for tissue paper and personal care products remain relatively stable in the shorter term. The overall profitability of the Group is expected to improve in the coming quarter.

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FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2022****NOTES TO THE INTERIM FINANCIAL REPORT****17. Variance of Actual Profit from Profit Forecast**

Not applicable.

**18. Taxation**

	<b>Q2FY2023</b> <b>RM'000</b>	<b>6 Months Ended</b> <b>31 October 2022</b> <b>RM'000</b>
Income tax		
Current year	(448)	(3,949)
Prior year	-	-
	<u>(448)</u>	<u>(3,949)</u>
Deferred tax		
Current year	2,180	4,008
Prior year	-	-
	<u>1,732</u>	<u>(59)</u>

The Group's effective tax rate for the current financial quarter ended 31 October 2022 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 2022 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 2022.

**20. Group Borrowings**

	<b>As at 31 October 2022</b> <b>RM'000</b>
<b>Non-current</b>	
<b>Unsecured</b>	
Long term loans	27,358
<b>Current</b>	
<b>Unsecured</b>	
Bankers' acceptance	99,101
Onshore foreign currency loan	36,753
Revolving credit	175,131
Trust receipt	30,415
Term loans	31,460
	<u>400,218</u>





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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 20. Group Borrowings (cont'd)

The borrowings are denominated in the following currencies:

	31 October 2022		
	RM'000		
	Ringgit Malaysia	US Dollar	Total
Bankers' acceptance	99,101	-	99,101
Onshore foreign currency loan	-	36,753	36,753
Revolving credit	61,000	114,131	175,131
Trust receipt	-	30,415	30,415
Term loans	40,638	18,180	58,818
	<u>200,739</u>	<u>199,479</u>	<u>400,218</u>

#### 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 2022, the Group did not enter into any open forward contracts as hedges of anticipated future transactions.

Derivative 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 values, with the gain or loss recognised in the profit or loss. During the current financial quarter ended 31 October 2022, the Group recognised a fair value gain on derivatives of RM142,000 and in the 6 months ended 31 October 2022, a fair value gain of RM197,000. 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 2022. 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 2022.

#### 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 2023 amounting to RM8,984,320 was paid on 28 October 2022.

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

**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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>First Quarter Ended</b>		<b>6 Months Period Ended</b>	
	<b>31.10.2022</b>	<b>31.10.2021</b>	<b>31.10.2022</b>	<b>31.10.2021</b>
Net (loss)/ profit attributable to ordinary shareholders (RM'000)	(3,492)	3,351	(2,412)	15,789
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)	0.3	(0.2)	1.7

**By Order of the Board****Company Secretary****DATED THIS 19<sup>th</sup> December 2022**