



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2023

### CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Third Quarter Ended 31 Jan 2023	Third Quarter Ended 31 Jan 2022	9 Months Ended 31 Jan 2023	9 Months Ended 31 Jan 2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>215,716</b>	<b>209,490</b>	<b>653,288</b>	<b>564,058</b>
<b>Operating profit</b>	<b>(1,932)</b>	<b>12,227</b>	<b>1,028</b>	<b>41,649</b>
Interest income	96	44	214	126
Interest expense	(4,341)	(1,774)	(9,890)	(5,311)
<b>Profit before tax</b>	<b>(6,177)</b>	<b>10,497</b>	<b>(8,648)</b>	<b>36,464</b>
Income tax expense	(1,143)	(4,880)	(1,084)	(11,707)
<b>Profit net of tax</b>	<b>(7,320)</b>	<b>5,617</b>	<b>(9,732)</b>	<b>24,757</b>
<b>Profit attributable to:</b>				
Owners of the parent	(7,320)	5,617	(9,732)	24,757
Non-controlling interests	-	-	-	-
	<b>(7,320)</b>	<b>5,617</b>	<b>(9,732)</b>	<b>24,757</b>
Basic/Diluted earnings per ordinary share (sen)	(0.7)	0.5	(0.9)	2.2

*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.*



## NTPM HOLDINGS BERHAD

Company No. 199601012313 (384662 U)  
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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2023

#### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Third Quarter Ended 31 Jan 2023	Third Quarter Ended 31 Jan 2022	9 Months Ended 31 Jan 2023	9 Months Ended 31 Jan 2022
	RM'000	RM'000	RM'000	RM'000
<b>Profit net of tax</b>	(7,320)	5,617	(9,732)	24,757
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	4,989	(1,508)	6,370	(4,156)
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>(2,331)</b>	<b>4,109</b>	<b>(3,362)</b>	<b>20,601</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(2,331)	4,109	(3,362)	20,601
Non-controlling interests	-	-	-	-
	<b>(2,331)</b>	<b>4,109</b>	<b>(3,362)</b>	<b>20,601</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 JANUARY 2023

### NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Third Quarter Ended 31 Jan 2023	Third Quarter Ended 31 Jan 2022	9 Months Ended 31 Jan 2023	9 Months Ended 31 Jan 2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(96)	(44)	(214)	(126)
(b) Other income including investment income	(344)	(1,007)	(1,671)	(3,199)
(c) Interest expense	4,341	1,774	9,890	5,311
(d) Depreciation	14,007	13,313	42,245	37,636
(e) Impairment loss on receivables	150	204	461	504
(f) Foreign exchange (gain)/ loss	(1,300)	(296)	6,290	(6,413)
(g) Loss/ (gain) on derivatives	-	86	(197)	(67)
(h) Gain on de-registration of a subsidiary	-	-	(5)	
(i) Gain on termination of lease	-	(39)	(14)	(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 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 JANUARY 2023

#### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<b>(Unaudited)</b>	<b>(Audited)</b>
	As at	As at
	31 Jan 2023	30 April 2022
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	551,118	582,756
RIGHT OF USE	37,216	37,673
DEFERRED TAX ASSETS	1,950	853
	590,284	621,282
<b>CURRENT ASSETS</b>		
Inventories	249,088	228,061
Trade receivables	132,086	112,293
Tax receivable	16,900	9,996
Other receivables	38,754	37,708
Cash and bank balances	37,194	49,152
	474,022	437,210
<b>TOTAL ASSETS</b>	1,064,306	1,058,492
<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	396,244	408,590
<b>TOTAL EQUITY</b>	508,455	520,801
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	24,047	33,853
DEFERRED TAX LIABILITIES	18,423	23,673
LEASE LIABILITIES	2,335	1,502
RETIREMENT BENEFIT OBLIGATIONS	14,984	14,027
	59,789	73,055
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	849	849
Borrowings	392,513	334,752
Lease liabilities	2,036	2,036
Trade payables	42,254	51,054
Other payables	57,828	75,054
Tax payable	582	694
Derivative liabilities	-	197
	496,062	464,636
<b>TOTAL LIABILITIES</b>	555,851	537,691
<b>TOTAL EQUITY AND LIABILITIES</b>	1,064,306	1,058,492
Net Assets per share (RM)	0.45	0.46

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

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**INTERIM FINANCIAL REPORT  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(The figures have not been audited)

Nine Months Ended 31 January 2023

	← Attributable to owners of the parent →				Non-controlling Interest	Total Equity	
	Non-distributable		Distributable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2022	112,320	(109)	105,968	302,622	520,801	-	520,801
Total comprehensive income for the period	-	-	6,370	(9,732)	(3,362)	-	(3,362)
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 January 2023</b>	<b>112,320</b>	<b>(109)</b>	<b>112,338</b>	<b>283,906</b>	<b>508,455</b>	<b>-</b>	<b>508,455</b>

Nine Months Ended 31 January 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	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
Transfer of asset revaluation reserve upon disposal	-	-	-	-	-	-	-
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(17,969)	(17,969)	-	(17,969)
Total transactions with owners :	-	-	-	(17,969)	(17,969)	-	(17,969)
<b>At 31 January 2022</b>	<b>112,320</b>	<b>(109)</b>	<b>83,963</b>	<b>298,881</b>	<b>495,055</b>	<b>-</b>	<b>495,055</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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**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	<b>9 months ended 31 Jan 2023 RM'000</b>	<b>9 months ended 31 Jan 2022 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	(8,648)	36,464
Adjustments for:		
Bad debts written off	11	54
Depreciation	39,707	35,134
Depreciation- right of use assets	2,538	2,502
Interest expense	9,786	5,220
Interest expense- lease	104	91
Interest income	(214)	(126)
Gain on de-registration of a subsidiary	(5)	-
Gain on disposal of property, plant and equipment	(17)	(34)
Gain on termination of lease	(14)	(39)
Net fair value gain on derivatives	(197)	(67)
Plant and equipment written off	1	122
Increase in liability for defined benefit plan	1,452	1,745
Impairment loss on loan and receivables	450	450
Unrealised foreign exchange gain/ (loss)	337	(8,041)
Total adjustments	53,939	37,011
<b>Operating cash flows before changes in working capital</b>	<b>45,291</b>	<b>73,475</b>
Changes in working capital		
Increase in receivables	(14,234)	(29,102)
(Increase)/ decrease in inventories	(22,747)	6,929
(Decrease)/ increase in payable	(19,416)	3,408
Decrease in retirement benefit obligations	(495)	(774)
Total changes in working capital	(56,892)	(19,539)
<b>Cash flows (used in)/ generated from operations</b>	<b>(11,601)</b>	<b>53,936</b>
Interest paid	(9,786)	(5,220)
Tax paid	(14,465)	(14,274)
<b>Net cash flow (used in)/ generated from operating activities</b>	<b>(35,852)</b>	<b>34,442</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(13,279)	(24,906)
Additional of right of use assets	-	(329)
Interest received	214	126
Proceeds from disposal of plant and equipment	87	88
<b>Net cash used in investing activities</b>	<b>(12,978)</b>	<b>(25,021)</b>
<b>FINANCING ACTIVITIES</b>		
Net change in bank borrowings	47,805	(4,503)
Payment of lease liabilities	(1,981)	(1,791)
Dividends paid to shareholders	(8,984)	(17,969)
<b>Net cash generated used in financing activities</b>	<b>36,840</b>	<b>(24,263)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11,990)</b>	<b>(14,842)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	<b>49,152</b>	<b>51,483</b>
<b>Effects of exchange rate changes</b>	<b>32</b>	<b>(527)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	<b>37,194</b>	<b>36,114</b>
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	7,989	6,399
Deposits with licensed banks:		
Fixed deposit	17,441	17,467
Short term placements	11,764	12,248
	<b>37,194</b>	<b>36,114</b>

**Reconciliation of liabilities arising from financing activities:**

	<b>Carrying amount as at 1 May 2021 RM'000</b>	<b>Cash Flows RM'000</b>	<b>Others RM'000</b>	<b>Foreign exchange movement RM'000</b>	<b>Carrying amount as at 31 Jan 2023 RM'000</b>
Loan and borrowing	368,605	47,805	-	150	416,560
Lease liabilities	3,538	(1,981)	2,798	16	4,371
<b>Total liabilities from financing activities</b>	<b>372,143</b>	<b>45,824</b>	<b>2,798</b>	<b>166</b>	<b>420,931</b>

The Condensed Consolidated Statements of Cash Flow 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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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2023

### 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 JANUARY 2023

### 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 101 Presentation of Financial Statements: Non-current Liabilities with Covenants	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 January 2023 was RM182.4 million (30 April 2022: RM111.5 million).





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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2023

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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 9 months ended 31 January 2023.

#### 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 9 months ended 31 January 2023.

**NTPM HOLDINGS BERHAD**Company No. 199601012313 (384662-U)  
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FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2023****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 9 months ended 31 January 2023.

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial quarter and 9 months ended 31 January 2023.

**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
	8,984,320	17,968,640	0.80	1.60

**9. Segment Information**

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

Segment information for the 9 months ended 31 January 2023 are as follows:

	Tissue Paper Products RM'000	Personal Care Products RM'000	Consolidated RM'000
<b>Revenue</b>			
Revenue from external customers	466,841	186,447	653,288



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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	(17,840)	18,868	1,028
Interest income	196	18	214
Operating profit	(17,644)	18,886	1,242
Finance costs	(7,067)	(2,823)	(9,890)
<b>Segment profit</b>	<b>(24,711)</b>	<b>16,063</b>	<b>(8,648)</b>
Included in the measure of segment profit are			
- depreciation	(35,840)	(6,405)	(42,245)
- non-cash expenses other than depreciation and amortisation	(1,843)	(175)	(2,018)
<b>Segment assets</b>	<b>896,769</b>	<b>167,537</b>	<b>1,064,306</b>
Included in the measure of segment assets is			
- capital expenditure	13,661	2,936	16,597

Segment information for the 9 months ended 31 January 2022 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	392,876	171,182	564,058
<b>Result</b>			
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)
<b>Segment profit</b>	<b>9,302</b>	<b>27,162</b>	<b>36,464</b>
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
<b>Segment assets</b>	<b>847,088</b>	<b>147,713</b>	<b>994,801</b>
Included in the measure of segment assets is			
- capital expenditure	24,282	624	24,906



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### 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 9 months ended 31 January 2023, there were acquisition and disposal of plant and equipment amounted to RM13.28 million and RM0.7 million respectively.

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

There were no significant material and subsequent events since 31 January 2023 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 9 months ended 31 January 2023.

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

The corporate guarantees of the Company are as follows:

	As at 31.01.2023	As at 30.04.2022
	RM'000	RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	416,560	368,605



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**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

**14. Review of Performance**

	Individual Quarter		Cumulative Quarters	
	Third Quarter Ended		9 Months Ended	
	31.01.2023	31.01.2022	31.01.2023	31.01.2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Tissue Paper Products	154,260	147,690	466,841	392,876
Personal Care Products	61,456	61,800	186,447	171,182
<b>Group</b>	215,716	209,490	653,288	564,058
<b>Profit before tax</b>				
Tissue Paper Products	(10,485)	1,871	(24,711)	9,302
Personal Care Products	4,308	8,626	16,063	27,162
<b>Group</b>	(6,177)	10,497	(8,648)	36,464

**Performance of current financial quarter ended 31 January 2023 (“Q3FY2023”) and preceding year corresponding quarter ended 31 January 2022 (“Q3FY2022”)**

Group revenue for Q3FY2023 was RM215.7 million, an increase of 3.0% as compared to RM209.5 million for Q3FY2022. The increase was due to the increase in sales of tissue paper products.

The Group recorded a loss before tax of RM6.2 million for Q3FY2023, a decrease of 158.8% over a profit of RM10.5 million registered in Q3FY2022. Higher costs for raw materials, distribution, operating utilities such as electricity and gas and the weakening of Ringgit Malaysia against US Dollars had a negative impact on the margin. Besides, higher interest expenses and administrative expenses have further widened the gap in the quarter-to-quarter financial performance.

**Tissue Paper Products segment**

Revenue from the tissue paper products segment for Q3FY2023 was RM154.3 million, an increase of 4.4% as compared to RM147.7 million for Q3FY2022. The increase in revenue in the paper products segment was mainly due to the increase in average selling price.

The tissue paper products segment recorded a loss before tax of RM10.5 million for Q3FY2023, a decrease of 660.4% over a profit of RM1.9 million registered in Q3FY2022. Higher costs for raw materials, distribution, operating utilities and the weakening of Ringgit Malaysia against US Dollars had a negative impact on the margin. Besides, higher interest expenses and administrative expenses have 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 Q3FY2023 against Q3FY2022 (Cont'd)

##### Personal Care Products segment

Revenue from the personal care products segment for Q3FY2023 was RM61.5 million, a decrease of 0.6% as compared to RM61.8 million recorded in Q3FY2022. The decrease in revenue in the personal care products segment was mainly due to the decrease in volume, especially cotton, wet tissue and sanitary napkins products.

Profit before tax of the personal care products segment for Q3FY2023 was RM4.3 million, a decrease of 50.1% over RM8.6 million registered in Q3FY2022. The decrease in profit before tax was mainly due to the higher costs of raw materials, distribution, and operating utilities. Besides, the weakening of Ringgit Malaysia against US Dollars has further widened the gap in the quarter-to-quarter financial performance.

##### Performance of 9 months ended 31 January 2023 and the 9 months ended 31 January 2022

The Group recorded a revenue of RM653.3 million in the 9 months ended 31 January 2023, which is 15.8% increase from the RM564.1 million recorded in the 9 months ended 31 January 2022. The increase was mainly due to the increase in sales of both product segments, especially the tissue paper products segment.

The Group recorded a loss before tax of RM8.6 million in the 9 months ended 31 January 2023, a decrease of 123.7% over a profit of RM36.5 million registered in 9 months ended 31 January 2022. 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. Interest expenses from increased bank borrowings, 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 9 months ended 31 January 2023 was RM466.8 million, an increase of 18.8% as compared to RM392.9 million registered in the 9 months ended 31 January 2022, partially contributed by a price increase of the tissue paper products during the period.

The Group recorded a loss before tax of RM24.7 million in the 9 months ended 31 January 2023, a decrease of 365.7% over a profit of RM9.3 million registered in 9 months ended 31 January 2022. The decrease in profit before tax was mainly due to the higher costs for raw materials, distribution, operating utilities such as electricity and gas and the weakening of Ringgit Malaysia against US Dollars. Besides, higher interest expenses and administrative costs have also negatively impacted the financial performance.



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

##### Performance of 9 months ended 31 January 2023 and the 9 months ended 31 January 2022 (cont'd)

##### Personal Care Products segment

Revenue from the personal care products segment in the 9 months ended 31 January 2023 was RM186.4 million, an increase of 8.9% as compared to RM171.2 million recorded in the 9 months ended 31 January 2022. This was mainly driven by the increase in revenue generated from all personal care products, except Wet Tissue product.

Profit before tax in the personal care products segment in the 9 months ended 31 January 2023 was RM16.1 million, a decrease of 40.9% over RM27.2 million registered in the 9 months ended 31 January 2022. The higher raw material costs, distribution expenses, utilities costs and foreign exchange losses have further decreased the profitability.

#### 15. Performance of Q3FY2023 against preceding quarter ended 31 October 2022 (“Q2FY2023”)

	Individual Financial Quarter		Variance	
	Q3FY2023	Q2FY2023	RM'000	%
Revenue	215,716	220,368	(4,651)	(2.1)
Profit before tax	(6,177)	(5,224)	(953)	(18.2)

Revenue for Q3FY2023 of RM215.7 million decreased by RM4.65 million or 2.1% as compared to Q2Y2023 of RM220.4 million. The lower sales was mainly due to competitive export market.

The Group recorded a loss before tax of RM6.2 million for Q3FY2023, a decrease of 18.2% over a loss of RM5.2 million registered in Q2FY2023. The decrease in profit before taxation was mainly due to the higher costs in raw material consumed such as virgin pulp and waste paper and the increase in electricity and gas tariffs since 1 January 2023. Besides, higher interest expenses have further widened the gap in the quarter-to-quarter financial performance.

#### 16. Prospects

The Group's business operations environment remains challenging and volatile. Although the prices of raw materials and shipping costs remain relatively high but slowly trending downward, the foreign exchange rate of the United States Dollar versus Ringgit Malaysia reversed to trending upwards. The increase in electricity and gas tariffs since 1 January 2023 has become major cost component in the current financial quarter and beyond. Coupled with higher cost of borrowing, the Group has incurred higher loss in the current quarter. While the demand for tissue paper and personal care products remain stable in the shorter term, competition is intensive in our export market. The Board will continue to be resilient in the changing business environment, control production costs and seize new customers to efficiently utilise its installed production capacity. Barring unforeseen circumstances, it aims to achieve operationally about break-even in the coming quarter.

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Not applicable.

**18. Taxation**

	<b>Q3FY2023</b> <b>RM'000</b>	<b>9 Months Ended</b> <b>31 January 2023</b> <b>RM'000</b>
Income tax		
Current year	3,300	7,249
Prior year	183	183
	<u>3,483</u>	<u>7,431</u>
Deferred tax		
Current year	(1,967)	(5,975)
Prior year	(373)	(373)
	<u>1,143</u>	<u>1,084</u>

The Group's effective tax rate for the current financial quarter and 9 months ended 31 January 2023 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 the current financial quarter and the 9 months ended 31 January 2023.

**20. Group Borrowings**

	<b>As at 31 January 2023</b> <b>RM'000</b>
<b>Non-current</b>	
<b>Unsecured</b>	
Long term loans	24,047
<b>Current</b>	
<b>Unsecured</b>	
Bankers' acceptance	111,004
Onshore foreign currency loan	49,054
Revolving credit	176,208
Trust receipt	35,504
Term loans	20,743
	<u>416,560</u>





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

The borrowings are denominated in the following currencies:

	31 January 2023			Total
	Singapore Dollar	Ringgit Malaysia	US Dollar	
Bankers' acceptance	-	111,004	-	111,004
Onshore foreign currency loan	-	-	49,054	49,054
Revolving credit	-	61,400	114,808	176,208
Trust receipt	6,064	-	29,440	35,504
Term loans	-	37,326	7,464	44,790
	6,064	209,730	200,766	416,560

#### 21. Derivatives Financial Instruments

The Group may enter into forward foreign exchange contracts in currencies other than their functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

As at 31 January 2023, 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 9 months ended 31 January 2023, the Group recognised a fair value gain on derivatives 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 9 months ended 31 January 2023. 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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No dividend is proposed in the current quarter.

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>Third Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>31.01.2023</b>	<b>31.01.2023</b>	<b>31.01.2023</b>	<b>31.01.2023</b>
Net (loss)/ profit attributable to ordinary shareholders (RM'000)	(7,320)	5,617	(9,732)	24,757
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)	(0.7)	0.5	(0.9)	2.2

**By Order of the Board****Company Secretary****DATED THIS 13<sup>th</sup> March 2023**