



# NTPM HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2023

### CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Fourth Quarter Ended 30 April 2023	Fourth Quarter Ended 30 April 2022	12 Months Ended 30 April 2023	12 Months Ended 30 April 2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>215,001</b>	<b>200,841</b>	<b>868,289</b>	<b>764,899</b>
<b>Operating profit</b>	<b>13,490</b>	<b>8,969</b>	<b>14,518</b>	<b>50,618</b>
Interest income	90	41	304	167
Interest expense	(4,758)	(1,987)	(14,648)	(7,298)
<b>Profit before tax</b>	<b>8,822</b>	<b>7,023</b>	<b>174</b>	<b>43,487</b>
Income tax expense	(4,971)	(3,267)	(6,055)	(14,974)
<b>Profit net of tax</b>	<b>3,851</b>	<b>3,756</b>	<b>(5,881)</b>	<b>28,513</b>
<b>Profit attributable to:</b>				
Owners of the parent	3,851	3,756	(5,881)	28,513
Non-controlling interests	-	-	-	-
	<b>3,851</b>	<b>3,756</b>	<b>(5,881)</b>	<b>28,513</b>
Basic/Diluted earnings per ordinary share (sen)	0.3	0.3	(0.5)	2.5

*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 30 APRIL 2023

#### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Fourth Quarter Ended 30 April 2023	Fourth Quarter Ended 30 April 2022	12 Months Ended 30 April 2023	12 Months Ended 30 April 2022
	RM'000	RM'000	RM'000	RM'000
<b>Profit net of tax</b>	3,851	3,756	(5,881)	28,513
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(4,965)	(1,898)	1,405	(6,054)
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	(41)	(16)	(41)	(16)
Revaluation of land and buildings	3,071	23,904	3,071	23,904
<b>Total comprehensive income for the period</b>	<b>1,916</b>	<b>25,746</b>	<b>(1,446)</b>	<b>46,347</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	1,916	25,746	(1,446)	46,347
Non-controlling interests	-	-	-	-
	<b>1,916</b>	<b>25,746</b>	<b>(1,446)</b>	<b>46,347</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 30 APRIL 2023

### NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Fourth Quarter Ended 30 April 2023	Fourth Quarter Ended 30 April 2022	12 Months Ended 30 April 2023	12 Months Ended 30 April 2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(90)	(41)	(304)	(167)
(b) Other income including investment income	(461)	(525)	(2,132)	(3,724)
(c) Interest expense	4,758	1,987	14,648	7,298
(d) Depreciation	9,853	9,923	52,098	47,559
(e) Impairment loss on receivables	(26)	(44)	435	460
(f) Foreign exchange (gain)/ loss	(5,490)	(1,433)	800	(7,846)
(g) Loss on derivatives	222	193	25	126
(h) (Reversal)/ revaluation deficit in land and buildings	(3,216)	634	(3,216)	634
(i) Loss on de-registration of a subsidiary	5	-	-	-
(j) Gain on termination of lease	(4)	(39)	(18)	(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.*



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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2023

#### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 30 April 2023	(Audited) As at 30 April 2022
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	559,865	582,756
RIGHT OF USE	37,035	37,673
DEFERRED TAX ASSETS	2,142	853
	599,042	621,282
<b>CURRENT ASSETS</b>		
Inventories	266,610	228,061
Trade receivables	114,582	112,293
Tax receivable	14,890	9,996
Other receivables	41,339	37,708
Cash and bank balances	44,136	49,152
	482,556	437,210
<b>TOTAL ASSETS</b>	1,081,598	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	398,160	408,590
<b>TOTAL EQUITY</b>	510,371	520,801
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	21,494	33,853
DEFERRED TAX LIABILITIES	22,162	23,673
LEASE LIABILITIES	1,749	1,502
RETIREMENT BENEFIT OBLIGATIONS	15,671	14,027
	61,076	73,055
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	880	849
Borrowings	375,902	334,752
Lease liabilities	1,937	2,036
Trade payables	50,835	51,054
Other payables	80,038	75,054
Tax payable	337	694
Derivative liabilities	222	197
	510,151	464,636
<b>TOTAL LIABILITIES</b>	571,227	537,691
<b>TOTAL EQUITY AND LIABILITIES</b>	1,081,598	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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## NTPM HOLDINGS BERHAD

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### INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2023

#### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Twelve Months Ended 30 April 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	
At 1 May 2022	112,320	(109)	105,968	302,622	520,801	-	520,801
Total comprehensive income for the period	-	-	4,476	(5,922)	(1,446)	-	(1,446)
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 30 April 2023</b>	<b>112,320</b>	<b>(109)</b>	<b>110,444</b>	<b>287,716</b>	<b>510,371</b>	<b>-</b>	<b>510,371</b>

Twelve Months Ended 30 April 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	-	-	17,850	28,497	46,347	-	46,347
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 30 April 2022</b>	<b>112,320</b>	<b>(109)</b>	<b>105,969</b>	<b>302,621</b>	<b>520,801</b>	<b>-</b>	<b>520,801</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 30 APRIL 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	12 months ended 30 April 2023 RM'000	12 months ended 30 April 2022 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	174	43,487
Adjustments for:		
Bad debts written off	400	189
Depreciation	48,748	44,238
Depreciation- right of use assets	3,350	3,321
Effects of rent concession received	-	-
Interest expense	14,508	7,178
Interest expense- lease	140	120
Interest income	(304)	(167)
Inventories written off	170	107
Inventories written down/ (reversal) to net realisable value	22	(303)
Gain on disposal of property, plant and equipment	(135)	(30)
Gain on termination of lease	(18)	(39)
Net fair value (gain)/ loss on derivatives	25	126
Plant and equipment written off	124	289
Increase in liability for defined benefit plan	1,916	1,510
Impairment loss on loan and receivables	35	271
Reversal of impairment loss on plant & equipments	(110)	-
(Reversal)/ revaluation deficit on land and buildings	(3,216)	634
Short term accumulating compensated absences	(5)	493
Unrealised foreign exchange gain	(1,440)	(9,698)
Total adjustments	64,210	48,239
<b>Operating cash flows before changes in working capital</b>	64,384	91,726
Changes in working capital		
Decrease in receivables	13,602	6,922
Increase in inventories	(38,403)	(21,629)
Decrease in payable	(18,113)	(7,989)
Decrease in retirement benefit obligations	(295)	(189)
Total changes in working capital	(43,209)	(22,885)
<b>Cash flows used in from operations</b>	21,175	68,841
Interest paid	(14,508)	(7,178)
Tax paid	(15,354)	(21,655)
<b>Net cash flow (used in)/ generated from operating activities</b>	(8,687)	40,008
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(17,711)	(37,272)
Additional of right of use assets	-	(329)
Interest received	304	167
Proceeds from disposal of plant and equipment	276	165
<b>Net cash used in investing activities</b>	(17,131)	(37,269)
<b>FINANCING ACTIVITIES</b>		
Net change in bank borrowings	31,769	15,155
Payment of lease liabilities	(2,608)	(2,424)
Dividends paid to shareholders	(8,984)	(17,969)
<b>Net cash generated used in financing activities</b>	20,177	(5,238)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(5,641)	(2,499)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	49,152	51,483
<b>Effects of exchange rate changes</b>	625	168
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	44,136	49,152
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	20,646	27,105
Deposits with licensed banks:		
Fixed deposit	11,763	11,439
Short term placements	11,727	10,608
	44,136	49,152

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

	Carrying amount as at 1 May 2022 RM'000	Cash Flows RM'000	Others RM'000	Foreign exchange movement RM'000	Carrying amount as at 30 April 2023 RM'000
Loan and borrowing	368,605	31,769	-	(2,978)	397,396
Lease liabilities	3,538	(2,608)	2,688	68	3,686
<b>Total liabilities from financing activities</b>	372,143	29,161	2,688	(2,910)	401,082

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 30 APRIL 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 30 APRIL 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
Amendments to MFRS 112 Income Taxes: International Tax Reform—Pillar Two Model Rules	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 30 April 2023 was RM274.2 million (30 April 2022: RM111.5 million).





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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 30 APRIL 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 financial year ended 30 April 2023 ("FY2023").

#### 6. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period except for the revaluation of land & buildings carried out by independent qualified valuers on 30 April 2023 which has resulted in the credit of net revaluation surplus amounting to RM3.07 million to Revaluation Reserves while reversal of deficit on the revaluation of certain properties amounting to RM3.2 million has been credited to the Income Statement.

**NTPM HOLDINGS BERHAD**Company No. 199601012313 (384662-U)  
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FOR THE FINANCIAL QUARTER ENDED 30 APRIL 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 FY2023.

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial quarter and FY2023.

**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 FY2023 are as follows:

	Tissue Paper Products RM'000	Personal Care Products RM'000	Consolidated RM'000
<b>Revenue</b>			
Revenue from external customers	619,001	249,288	868,289



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**INTERIM FINANCIAL REPORT  
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**NOTES TO THE INTERIM FINANCIAL REPORT**

**9. Segment Information (Cont'd)**

Segment information for the FY2023 are as follows (Cont'd):

	<b>Tissue Paper Products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Result</b>			
Segment results	(12,353)	26,871	14,518
Interest income	279	25	304
Operating profit	(12,074)	26,896	14,822
Finance costs	(10,443)	(4,205)	(14,648)
<b>Segment profit</b>	<b>(22,517)</b>	<b>22,691</b>	<b>174</b>
Included in the measure of segment profit are			
- depreciation	(43,461)	(8,637)	(52,098)
- non-cash expenses other than depreciation and amortisation	1,552	678	2,230
<b>Segment assets</b>	<b>919,107</b>	<b>162,491</b>	<b>1,081,598</b>
Included in the measure of segment assets is			
- capital expenditure	18,067	3,193	21,260

Segment information for FY2022 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	534,836	230,063	764,899
<b>Result</b>			
Segment results	16,376	34,242	50,618
Interest income	153	14	167
Operating profit	16,529	34,256	50,785
Finance costs	(5,103)	(2,195)	(7,298)
<b>Segment profit</b>	<b>11,426</b>	<b>32,061</b>	<b>43,487</b>
Included in the measure of segment profit are			
- depreciation	(39,301)	(8,257)	(47,559)
- non-cash expenses other than depreciation and amortisation	8,033	(1,580)	6,453
<b>Segment assets</b>	<b>894,496</b>	<b>163,996</b>	<b>1,058,492</b>



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2023

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 9. Segment Information (Cont'd)

Segment information for FY2022 are as follows (Cont'd):

	<b>Tissue Paper Products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Consolidated RM'000</b>
Included in the measure of segment assets is - capital expenditure	33,439	4,162	37,601

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

The carrying value of land and building is based on the latest valuation performed on 30 April 2023 by independent qualified valuers.

During FY2023, there were acquisition and disposal of plant and equipment amounted to RM17.71 million and RM0.14 million respectively.

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

There were no significant material and subsequent events since 30 April 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 FY2023.

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

The corporate guarantees of the Company are as follows:

	<b>As at 30.04.2023 RM'000</b>	<b>As at 30.04.2022 RM'000</b>
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	397,396	368,605

**NTPM HOLDINGS BERHAD**Company No. 199601012313 (384662-U)  
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2023****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	
	Fourth Quarter Ended		FY2023	FY2022
	30.04.2023	30.04.2022	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Tissue Paper Products	152,160	141,961	619,001	534,836
Personal Care Products	62,841	58,880	249,288	230,063
<b>Group</b>	215,001	200,841	868,289	764,899
<b>Profit before tax</b>				
Tissue Paper Products	2,194	2,125	(22,517)	11,426
Personal Care Products	6,628	4,898	22,691	32,061
<b>Group</b>	8,822	7,023	174	43,487

**Performance of current financial quarter ended 30 April 2023 (“Q4FY2023”) and preceding year corresponding quarter ended 30 April 2022 (“Q4FY2022”)**

Group revenue for Q4FY2023 was RM215 million, an increase of 7.1% as compared to RM200.8 million for Q4FY2022. The increase was mainly due to the increase in sales of both product segments, especially the tissue paper products segment.

The Group’s profit before tax for Q4FY2023 was RM8.8 million, an increase of 25.6% over RM7 million registered in Q4FY2022. The increase in profit before tax was mainly due to the gain on realised foreign exchange of RM3.9 million and reversal of revaluation deficit of RM3.2 million.

However, the said increase was dampened by:

- the constant elevated costs of raw materials, especially the imported raw materials;
- the weakening of Ringgit Malaysia against US Dollars;
- increase in employee benefits expense as the result of the implementation of the Employment Act 1955 (Amendment 2022) on 1 January 2023;
- increase in utilities costs due to the adjustment on electricity tariff effective on 1 January 2023; and
- higher interest expenses.

**Tissue Paper Products segment**

Revenue from the tissue paper products segment for Q4FY2023 was RM152.2 million, an increase of 7.2% as compared to RM142 million for Q4FY2022. The increase in revenue in the paper products segment was mainly due to the increase in average selling price.



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### NOTES TO THE INTERIM FINANCIAL REPORT

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

##### Performance of Q4FY2023 against Q4FY2022 (Cont'd)

###### Tissue Paper Products segment (Cont'd)

Profit before tax of the tissue paper products segment for Q4FY2023 was RM2.2 million, an increase of 3.2% over a profit of RM2.1 million registered in Q4FY2022. Higher costs for raw materials, operating utilities, employee benefits expense and the weakening of Ringgit Malaysia against US Dollars have a negative impact on the margin. Besides, higher interest expenses and administrative expenses have put further pressure on the margin. However, reversal of revaluation deficit of RM3.2 million contributed to some offset.

###### Personal Care Products segment

Revenue from the personal care products segment for Q4FY2023 was RM62.8 million, an increase of 6.7% as compared to RM58.9 million recorded in Q4FY2022. The increase in revenue in the personal care products segment was mainly due to the increase in average selling price.

Profit before tax of the personal care products segment for Q4FY2023 was RM6.6 million, an increase of 35.3% over RM4.9 million registered in Q4FY2022. The increase in profit before tax was mainly due to the gain on realised foreign exchange of RM3.6 million.

However, the said increase was dampened by the higher costs for raw materials, operating utilities, employee benefits expense, currency fluctuation and higher interest expenses.

##### Performance of current financial year ended 30 April 2023 (“FY2023”) and the financial year ended 30 April 2022 (“FY2022”)

The Group recorded a revenue of RM868.3 million in FY2023, which is 13.5% increase from the RM764.9 million recorded in FY2022. The increase was mainly due to the increase in sales of both product segments, especially the tissue paper products segment.

Despite the increase in revenue, the Group recorded a profit before tax of RM0.17 million in FY2023, a decrease of 99.6% as compared to RM43.5 million registered in FY2022. The Group's profit margin was negatively impacted by:

- the elevated costs of raw materials, especially the imported raw materials, as well as freight and transport charges;
- the weakening of Ringgit Malaysia against US Dollars;
- increase in employee benefits expense as the result of the implementation of the Employment Act 1955 (Amendment 2022) on 1 January 2023;
- increase in utilities costs due to the adjustment on electricity tariff effective on 1 January 2023;
- lower unrealised foreign exchange gain recognised in FY2023 as compared to FY2022;
- the general inflationary pressure on selling and distribution costs and administrative costs; and
- higher interest expenses from borrowings.

However, the increase was partially offset by the reversal of revaluation deficit with amount of RM3.2 million.

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Revenue from the tissue paper products segment in FY2023 was RM619 million, an increase of 15.7% as compared to RM534.8 million recorded in FY2022. The increase in revenue was mainly attributed to the increase in average selling price and the slight improved sales volume in FY2023.

The Group recorded a loss before tax of RM22.5 million in FY2023, a decrease of 297.1% over a profit of RM11.4 million registered FY2022. The decrease in profit before tax was mainly due to the significant increase in the price of raw materials as well as freight and transport charges and the impact from the fluctuation in foreign currency. On the other hand, the adjustment on electricity tariff and the implementation of the Employment Act 1955 (Amendment 2022) have further increased the overhead cost in FY2023.

The increase in interest expenses from borrowings and general inflationary pressure on selling and distribution and administrative costs have further decreased the profitability. However, the inflation costs were partially offset by the reversal of revaluation deficit with amount of RM3.2 million.

Personal Care Products segment

Revenue from the personal care products segment in FY2023 was RM249.3 million, an increase of 8.4% as compared to RM230.1 million recorded in FY2022. The increase in revenue was contributed by all the products except wet tissue and sanitary napkin products. The increase in revenue was driven by the increase in average selling prices but partly offset by drop in sales volume.

Profit before tax in the personal care products segment in FY2023 was RM22.7 million, a decrease of 29.2% over RM32.1 million registered in FY2022. The higher raw material costs, distribution expenses, utilities costs and foreign exchange losses have further decreased the profitability. Higher interest expenses have further decreased the profitability.

**15. Performance of Q4FY2023 against preceding quarter ended 31 January 2023 ("Q3FY2023")**

	Individual Financial Quarter		Variance	
	Q4FY2023	Q3FY2023		
	RM'000	RM'000	RM'000	%
<b>Revenue</b>	215,001	215,716	(715)	(0.3)
<b>Profit before tax</b>	8,822	(6,177)	14,999	242.8

Revenue for Q4FY2023 of RM215 million decreased by RM0.72 million or 0.3% as compared to Q3Y2023 of RM215.7 million. The decrease was due to the decrease in sales volume of tissue paper products especially local sales, consumer side.



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#### 15. Performance of Q4FY2023 against Q3FY2023 (Cont'd)

The Group's profit before tax for Q4FY2023 was RM8.8 million, an increase of RM15 million over RM6.2 million loss before tax registered in Q3FY2023. The primary drivers for the increase include the decline in raw materials cost such as pulp, the gain on realised and unrealised foreign exchange of RM5.5 million and the reversal of revaluation deficit of RM3.2 million.

However, the said increase was dampened by the higher costs for operating utilities, employee benefits expense, currency fluctuation and higher interest expenses.

#### 16. Prospects

The Group's business operations environment remains challenging and volatile. The prices of raw materials and shipping costs have trended downward, but the United States Dollar have remained persistently strong. The increase in electricity and gas tariffs since 1 January 2023 has become major cost component and our other costs of production are experiencing inflationary pressure. With the demand for tissue paper and personal care products remaining stable in the shorter term, competition is intensive in our export market. The changing environment necessitate greater efforts and resilience from the Board and management to control production costs and seize new customers to efficiently utilise its installed production capacity. Barring unforeseen circumstances, it aims to achieve better performance in the coming quarter.

#### 17. Variance of Actual Profit from Profit Forecast

Not applicable.

#### 18. Taxation

	Q4FY2023 RM'000	FY2023 RM'000
Income tax		
Current year	2,775	10,024
Prior year	(134)	49
	<u>2,641</u>	<u>10,073</u>
Deferred tax		
Current year	2,114	(3,861)
Prior year	216	(157)
	<u>4,971</u>	<u>6,055</u>

The Group's effective tax rate for Q4FY2023 and FY2023 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 FY2023.



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RM'000**

<b>Non-current</b>	
<b>Unsecured</b>	
Long term loans	21,494
<b>Current</b>	
<b>Unsecured</b>	
Bankers' acceptance	96,624
Onshore foreign currency loan	40,624
Revolving credit	174,816
Term loans	47,731
Trust Receipt	16,107
	<u>397,396</u>

The borrowings are denominated in the following currencies:

	<b>30 April 2023</b>		
	<b>RM'000</b>		
	<b>Ringgit Malaysia</b>	<b>US Dollar</b>	<b>Total</b>
Bankers' acceptance	96,624	-	96,624
Onshore foreign currency loan	-	40,624	40,624
Revolving credit	61,400	113,416	174,816
Trust receipt	-	16,107	16,107
*Term loans	34,886	34,339	69,225
	<u>192,910</u>	<u>204,486</u>	<u>397,396</u>

\* The term loans consisted of partially hedged cross-currency swap term loan.

As at 30 April 2023, the Group's financial ratio of its total bank borrowings divided by earnings before interest, tax, depreciation and amortisation was 5.97 times. As a result, Nibong Tebal Paper Mill Sdn Bhd and Nibong Tebal Personal Care Sdn Bhd breached the financial covenant of the bank borrowings, which is that the ratio shall not exceed 5.00 times at all times. The Group has since carried out negotiations with the bank and submitted an appeal for indulgence from the bank to resolve the breach.

**21. Derivatives Financial Instruments**

	<b>Contract/ national Amount RM'000</b>	<b>Liabilities RM'000</b>
<b>Non-hedging derivatives:</b>		
<b>Non-Current</b>		
Term loan		
- Cross-currency swap contracts	<u>26,872</u>	<u>222</u>

Foreign currency forward contracts

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



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### NOTES TO THE INTERIM FINANCIAL REPORT

specific transactions.

#### 21. Derivatives Financial Instruments (Cont'd)

As at 30 April 2023, the Group did not enter into any open forward contracts as hedges of anticipated future transactions.

Forward currency contracts are valued using a valuation technique with market observable inputs. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

##### Cross currency swap contracts

During the year ended 30 April 2023, term loan with cross currency interest rate swap is mainly used to hedge the Company's borrowings denominated in United States Dollar ("USD") for a period of 5 years whereby the Company receives interest at a variable rate equal to SOFR + 1.25% and pays interest at a variable rate equal to KLIBOR + 1.07% which firm commitments existed at the reporting date.

During the Q4FY2023, the Group recognised total fair value loss of RM222,000 and fair value gain of RM25,000 in FY2023. The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuations over the hedging period on the foreign currency borrowings. Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains or losses on remeasuring the fair value of the hedging instrument are recognised directly in other comprehensive income until such time as the hedged item affects profit or loss, then the gains or losses are transferred to the profit or loss. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the profit or loss.

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 FY2023. 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.

#### 23. Proposed Dividends

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.

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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>Fourth Quarter Ended</b>	<b>Fourth Quarter Ended</b>	<b>FY2023</b>	<b>FY2022</b>
	<b>30.04.2023</b>	<b>30.04.2022</b>		
Net (loss)/ profit attributable to ordinary shareholders (RM'000)	3,851	3,756	(5,881)	28,513
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	(0.5)	2.5

**By Order of the Board****Company Secretary****DATED THIS 26 June 2023**