



NTPM HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 JULY 2023

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	First Quarter Ended 31 July 2023	First Quarter Ended 31 July 2022	3 Months Ended 31 July 2023	3 Months Ended 31 July 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	223,878	217,204	223,878	217,204
Operating profit	7,188	5,021	7,188	5,021
Interest income	88	54	88	54
Interest expense	(4,832)	(2,322)	(4,832)	(2,322)
Profit before tax	2,444	2,753	2,444	2,753
Income tax expense	(2,279)	(1,673)	(2,279)	(1,673)
Profit net of tax	165	1,080	165	1,080
Profit attributable to:				
Owners of the parent	165	1,080	165	1,080
Non-controlling interests	-	-	-	-
	165	1,080	165	1,080
Basic/Diluted earnings per ordinary share (sen)	0.01	0.10	0.01	0.10

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 April 2023.

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 JULY 2023

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	First Quarter Ended 31 July 2023	First Quarter Ended 31 July 2022	3 Months Ended 31 July 2023	3 Months Ended 31 July 2022
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	165	1,080	165	1,080
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(589)	(162)	(589)	(162)
Cash flow hedges	-	-	-	-
Transfer to income statement upon disposal	-	-	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period:</i>				
Remeasurement losses on defined benefit plans				
Revaluation of land and buildings				
Total comprehensive income for the period	(424)	918	(424)	918
Total comprehensive income attributable to:				
Owners of the parent	(424)	918	(424)	918
Non-controlling interests	-	-	-	-
	(424)	918	(424)	918

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2023.

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NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	First Quarter Ended 31 July 2023	First Quarter Ended 31 July 2022	3 Months Ended 31 July 2023	3 Months Ended 31 July 2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(88)	(54)	(88)	(54)
(b) Other income including investment income	(489)	(718)	(489)	(3,724)
(c) Interest expense	4,832	2,322	4,832	2,322
(d) Depreciation	14,043	13,935	14,043	13,935
(e) Impairment loss on receivables	150	200	150	200
(f) Foreign exchange loss	596	3,828	596	3,828
(g) Loss on derivatives	-	(155)	-	(155)
(h) Gain on termination of lease	-	(5)	-	(5)

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 2023.

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2023**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 July 2023	(Audited) As at 30 April 2023
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	551,007	559,865
RIGHT OF USE	36,635	37,035
DEFERRED TAX ASSETS	1,779	2,142
	<u>589,421</u>	<u>599,042</u>
CURRENT ASSETS		
Inventories	259,574	266,610
Trade receivables	127,434	114,582
Tax receivable	14,086	14,890
Other receivables	31,297	42,338
Cash and bank balances	46,424	44,136
	<u>478,815</u>	<u>482,556</u>
TOTAL ASSETS	<u>1,068,236</u>	<u>1,081,598</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	112,320	112,320
TREASURY SHARES	(109)	(109)
RESERVES	397,736	398,160
TOTAL EQUITY	<u>509,947</u>	<u>510,371</u>
NON-CURRENT LIABILITIES		
BORROWINGS	40,020	21,494
DEFERRED TAX LIABILITIES	21,379	22,162
LEASE LIABILITIES	1,408	1,749
RETIREMENT BENEFIT OBLIGATIONS	16,008	15,671
	<u>78,815</u>	<u>61,076</u>
CURRENT LIABILITIES		
Retirement benefit obligations	880	880
Borrowings	364,104	375,902
Lease liabilities	1,937	1,937
Trade payables	37,366	50,835
Other payables	74,460	80,038
Tax payable	505	337
Derivative liabilities	222	222
	<u>479,474</u>	<u>510,151</u>
TOTAL LIABILITIES	<u>558,289</u>	<u>571,227</u>
TOTAL EQUITY AND LIABILITIES	<u>1,068,236</u>	<u>1,081,598</u>
Net Assets per share (RM)	<u>0.45</u>	<u>0.45</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2023.

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INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 JULY 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Three Months Ended 31 July 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 2023	112,320	(109)	110,444	287,716	510,371	-	510,371
Total comprehensive income for the period	-	-	(589)	165	(424)	-	(424)
At 31 July 2023	112,320	(109)	109,855	287,881	509,947	-	509,947

Three Months Ended 31 July 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	-	-	(162)	1,080	918	-	918
At 31 July 2022	112,320	(109)	105,806	303,702	521,719	-	521,719

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2023

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2023**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	3 months ended 31 July 2023 RM'000	3 months ended 31 July 2022 RM'000
OPERATING ACTIVITIES		
Profit before tax	2,444	2,753
Adjustments for:		
Depreciation	13,226	13,097
Depreciation- right of use assets	817	838
Interest expense	4,801	2,294
Interest expense- lease	31	28
Interest income	(88)	(54)
Gain on disposal of property, plant and equipment	(118)	-
Gain on termination of lease	-	(5)
Net fair value gain on derivatives	-	(155)
Plant and equipment written off	4	-
Increase in liability for defined benefit plan	309	678
Impairment loss on loan and receivables	150	200
Unrealised foreign exchange loss	-	289
Total adjustments	19,132	17,210
Operating cash flows before changes in working capital	21,576	19,963
Changes in working capital		
Decrease/ (increase) in receivables	6,693	(12,864)
Increase/ (decrease) in inventories	7,714	(942)
Decrease in payable	(29,409)	(5,270)
Increase/ (decrease) in retirement benefit obligations	28	(359)
Total changes in working capital	(14,974)	(19,435)
Cash flows used in from operations	6,602	528
Interest paid	(4,801)	(2,294)
Tax paid	(2,069)	(5,266)
Tax refunded	334	-
Net cash flow generated from/ (used in) operating activities	66	(7,032)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,013)	(5,385)
Interest received	88	54
Proceeds from disposal of plant and equipment	149	-
Net cash used in investing activities	(2,776)	(5,331)
FINANCING ACTIVITIES		
Net change in bank borrowings	5,670	518
Payment of lease liabilities	(628)	(649)
Net cash generated used in financing activities	5,042	(131)
NET DECREASE IN CASH AND CASH EQUIVALENTS	2,332	(12,494)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	44,136	49,152
Effects of exchange rate changes	(44)	(556)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	46,424	36,102
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	22,934	5,703
Deposits with licensed banks:		
Fixed deposit	11,763	10,922
Short term placements	11,727	19,477
	46,424	36,102

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 May 2023 RM'000	Cash Flows RM'000	Others RM'000	Foreign exchange movement RM'000	Carrying amount as at 31 July 2023 RM'000
Loan and borrowing	397,396	5,670	-	1,058	404,124
Lease liabilities	3,686	(628)	264	23	3,345
Total liabilities from financing activities	401,082	5,042	264	1,081	407,469

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 JULY 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 2023 (“FY2023”). 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 FY2023.

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 FY2023, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 May 2023:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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
Amendments to MFRS 112 Income Taxes: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7: Financial Instruments Disclosures – Supplier Finance Arrangements	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.



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NOTES TO THE INTERIM FINANCIAL REPORT

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 July 2023 was RM155.5 million (30 April 2023: RM136.2 million).

(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.



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NOTES TO THE INTERIM FINANCIAL REPORT

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for FY2023 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 financial quarter ended 31 July 2023 ("Q1FY2024").

6. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for Q1FY2024.

7. Changes in Estimates

There were no material changes in estimates of amount reported in prior financial quarter that have a material effect in Q1FY2024.

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for Q1FY2024.

8. Dividend Paid

There were no dividends paid during Q1FY2024.

	Dividend recognized in the financial year		Net Dividend per share	
	2024 RM	2023 RM	2024 Sen	2023 Sen
In respect of FY2023:				
Single tier first interim dividend paid on 28 October 2022	-	8,984,320	-	0.80
	-	8,984,320	-	0.80



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NOTES TO THE INTERIM FINANCIAL REPORT

9. Segment Information

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

Segment information for Q1FY2024 are as follows:

	Tissue Paper Products RM'000	Personal Care Products RM'000	Total RM'000
Revenue			
Revenue from external customers	155,310	68,568	223,878
Result			
Segment results	(121)	7,309	7,188
Interest income	84	4	88
Operating profit	(37)	7,313	7,276
Finance costs	(3,345)	(1,487)	(4,832)
Segment profit	(3,382)	5,826	2,444
Included in the measure of segment profit are			
- depreciation	(11,819)	(2,224)	(14,043)
- non-cash expenses other than depreciation and amortisation	(282)	(62)	(344)
Segment assets	909,359	158,877	1,068,236
Included in the measure of segment assets is			
- capital expenditure	2,989	257	3,246

Segment information for the financial quarter ended 31 July 2022 ("Q1FY2023") are as follows:

	Tissue Paper Products RM'000	Personal Care Products RM'000	Total RM'000
Revenue			
Revenue from external customers	151,480	65,724	217,204
Result			
Segment results	(4,327)	9,348	5,021
Interest income	46	8	54
Operating profit	(4,281)	9,356	5,075
Finance costs	(1,620)	(702)	(2,322)
Segment profit	(5,901)	8,654	2,753



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9. Segment Information (Cont'd)

Segment information for Q1FY2023 are as follows (cont'd):

	Tissue Paper Products RM'000	Personal Care Products RM'000	Total RM'000
Included in the measure of segment profit are			
- depreciation	(11,842)	(2,093)	(13,935)
- non-cash expenses other than depreciation and amortisation	(895)	(61)	(956)
Segment assets	890,803	172,375	1,063,178
Included in the measure of segment assets is			
- capital expenditure	5,485	852	6,337

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 Q1FY2024, there were acquisition and disposal of plant and equipment amounted to RM3 million and RM0.03 million respectively.

11. Significant and Subsequent Events to The Balance Sheet Date

There were no significant material and subsequent events since 31 July 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

There were no significant changes in the composition of the Group for Q1FY2024.

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

The corporate guarantees of the Company are as follows:

	As at 31.07.2023 RM'000	As at 30.04.2023 RM'000
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	404,124	397,396

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 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	
	First Quarter Ended	31.07.2022	3 Months Ended	31.07.2022
	31.07.2023	31.07.2022	31.07.2023	31.07.2022
	RM'000	RM'000	RM'000	RM'000
Revenue				
Tissue Paper Products	155,310	151,480	155,310	151,480
Personal Care Products	68,568	65,724	68,568	65,724
Group	223,878	217,204	223,878	217,204
Profit before tax				
Tissue Paper Products	(3,382)	(5,901)	(3,382)	(5,901)
Personal Care Products	5,826	8,654	5,826	8,654
Group	2,444	2,753	2,444	2,753

Performance of current financial quarter ended 31 July 2023 (“Q1FY2024”) and preceding year corresponding quarter ended 31 July 2022 (“Q1FY2023”)

Group revenue for Q1FY2024 was RM223.9 million, an increase of 3.1% as compared to RM217.2 million for Q1FY2023. The increase was mainly due to the increase in sales of both product segments.

The Group’s profit before tax for Q1FY2024 was RM2.4 million, representing an 11.2% decrease compared to the RM2.8 million recorded in Q1FY2023. This decrease in profit before tax was primarily due to higher interest expenses and advertising expenses, and the general inflationary pressure on administrative costs, especially the increasing insurance premium due to the growth in premium rates.

Nevertheless, this increase in costs was partially offset by lower realised foreign exchange losses in Q1FY2024 compared to Q1FY2023.

Tissue Paper Products segment

Revenue from the tissue paper products segment for Q1FY2024 was RM155.3 million, reflecting a 2.5% increase compared to RM151.5 million for Q1FY2023. The rise in revenue in the paper products segment was primarily attributed to an increase in the average selling price. Tissue paper segment experienced demand growth in local sales, particularly in the Away From Home Division. One contributing factor was the reopening of China’s borders in March 2023, which led to an increase in the number of tourists into Malaysia.



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14. Review of Performance (Cont'd)

Performance of Q1FY2024 against Q1FY2023 (Cont'd)

Tissue Paper Products segment (Cont'd)

The tissue paper products segment recorded a loss before tax of RM3.4 million for Q1FY2024, marking a 42.7% increase compared to a loss of RM5.9 million in Q1FY2023. The improvement in profit before tax was primarily due to the decline in raw material costs such as virgin pulp, and lower realised foreign exchange losses in Q1FY2024 compared to Q1FY2023.

However, this increase in profit before tax was partially offset by higher interest expenses and advertising expenses, as well as the general inflationary pressure on administrative costs, especially the increasing insurance premium due to the growth in premium rates.

Personal Care Products segment

Revenue from the personal care products segment for Q1FY2024 was RM68.6 million, an increase of 4.3% as compared to RM65.7 million recorded in Q1FY2023. 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 Q1FY2024 was RM5.8 million, a decrease of 32.7% over RM8.7 million registered in Q1FY2023. The higher raw material costs and higher interest expenses have decreased the profitability of this segment.

15. Performance of Q1FY2024 against preceding quarter ended 30 April 2023 ("Q4FY2023")

	Individual Financial Quarter		Variance	
	Q1FY2024	Q4FY2023		
	RM'000	RM'000	RM'000	%
Revenue	223,878	215,001	8,877	4.1
Profit before tax	2,444	8,822	(6,378)	(72.3)

Revenue for Q1FY2024 amounted to RM223.9 million, marking a 4.1% increase compared to Q4FY2023, which reported RM215 million. This growth was primarily contributed by the increased sales in both product segments.

The consolidated profit before tax of the Group experienced a decline of RM6.4 million or 72.3% in Q1FY2024 as compared to Q4FY2023. This decrease in profit before tax was primarily due to higher exchange losses recorded in Q1FY2024 resulting from the depreciation of the Ringgit Malaysia. Moreover, in Q4FY2023, the Group recorded a one-time reversal of revaluation deficit amounting to RM3.2 million which contributed to the profit before tax and widened the comparative figures.



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NOTES TO THE INTERIM FINANCIAL REPORT

16. Prospects

The lingering geopolitical tensions resulting from the Russia and Ukraine war and the uncertain foreign exchange movement will possibly impede economic growth and consumer confidence. In light of these factors, the Group's business operations environment remains challenging and volatile.

In Q1FY2024, despite improvement in revenue, the consolidated profit before tax of the Group experienced a decline of RM6.4 million or 72.3% as compared to Q4FY2023, primarily due to higher exchange losses recorded in Q1FY2024 resulting from the depreciation of the Ringgit Malaysia. Moreover, in Q4FY2023, the Group recorded a one-time reversal of revaluation deficit amounting to RM3.2 million giving a hike to profit before tax, and no such item occur in Q1FY2024.

Nevertheless, given the current stabilisation in raw material prices, including pulp, waste paper, and other inputs, the Group sees promising opportunities for both the Tissue Paper Products and Personal Care Products segments. Subject to lesser uncertainty surrounding the USD exchange rate and barring unforeseen circumstances, the Group is aims to achieve better performance in the coming quarter.

17. Variance of Actual Profit from Profit Forecast

Not applicable.

18. Taxation

	Q1FY2024 RM'000
Income tax	
Current year	2,700
Prior year	-
	<hr/> 2,700
Deferred tax	
Current year	(420)
Prior year	-
	<hr/> <hr/> 2,279

The Group's effective tax rate for Q1FY2024 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 Q1FY2024.

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FOR THE FINANCIAL QUARTER ENDED 31 JULY 2023****NOTES TO THE INTERIM FINANCIAL REPORT****20. Group Borrowings****As at 31 July 2023
RM'000**

Non-current	
Unsecured	
Long term loans	40,020
Current	
Unsecured	
Bankers' acceptance	119,947
Onshore foreign currency loan	39,875
Revolving credit	173,064
Term loans	18,473
Trust Receipt	12,745
	<u>404,124</u>

The borrowings are denominated in the following currencies:

	31 July 2023		
	RM'000		
	Ringgit Malaysia	US Dollar	Total
Bankers' acceptance	119,947	-	119,947
Onshore foreign currency loan	-	39,875	39,875
Revolving credit	61,400	111,664	173,064
Trust receipt	-	12,745	12,745
*Term loans	31,637	26,856	58,493
	<u>212,984</u>	<u>191,140</u>	<u>404,124</u>

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

21. Derivatives Financial Instruments

	Contract/ national Amount RM'000	Liabilities RM'000
Non-hedging derivatives:		
Non-Current		
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 specific transactions.

As at 31 July 2023, the Group did not enter into any open forward contracts as hedges of anticipated future transactions.



NTPM HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT

21. Derivatives Financial Instruments (Cont'd)

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 Q1FY2024, 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 Q1FY2024, no fair value loss was recognised by the Group. 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 financial risk management policy of the Group seeks to ensure that adequate financial resources are available for the development of the businesses of the Group 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 Q1FY2024. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for FY2023.

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.

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2023****NOTES TO THE INTERIM FINANCIAL REPORT****24. Basic Earnings Per Share**

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

	Individual Quarter		Cumulative Quarter	
	First Quarter Ended 31.07.2023	31.07.2022	3 Months Period Ended 31.07.2023	31.07.2022
Net profit attributable to ordinary shareholders (RM'000)	165	1,080	165	1,080
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)	0.01	0.1	0.01	0.1

By Order of the Board**Company Secretary****DATED THIS 25 September 2023**