



# NTPM HOLDINGS BERHAD

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

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

### CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Second Quarter Ended 31 October 2023	Second Quarter Ended 31 October 2022	6 Months Ended 31 October 2023	6 Months Ended 31 October 2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>224,663</b>	<b>220,368</b>	<b>448,541</b>	<b>437,572</b>
<b>Operating profit</b>	<b>2,380</b>	<b>(2,061)</b>	<b>9,568</b>	<b>2,960</b>
Interest income	103	64	191	118
Interest expense	(4,892)	(3,227)	(9,724)	(5,549)
<b>Profit before tax</b>	<b>(2,409)</b>	<b>(5,224)</b>	<b>35</b>	<b>(2,471)</b>
Income tax expense	(1,624)	1,732	(3,903)	59
<b>Profit net of tax</b>	<b>(4,033)</b>	<b>(3,492)</b>	<b>(3,868)</b>	<b>(2,412)</b>
<b>Profit attributable to:</b>				
Owners of the parent	(4,033)	(3,492)	(3,868)	(2,412)
Non-controlling interests	-	-	-	-
	<b>(4,033)</b>	<b>(3,492)</b>	<b>(3,868)</b>	<b>(2,412)</b>
Basic/Diluted earnings per ordinary share (sen)	(0.36)	(0.31)	(0.34)	(0.21)

*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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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2023

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Second Quarter Ended 31 October 2023	Second Quarter Ended 31 October 2022	6 Months Ended 31 October 2023	6 Months Ended 31 October 2022
	RM'000	RM'000	RM'000	RM'000
<b>Profit net of tax</b>	(4,033)	(3,492)	(3,868)	(2,412)
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(707)	1,543	(1,296)	1,381
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>(4,740)</b>	<b>(1,949)</b>	<b>(5,164)</b>	<b>(1,031)</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(4,740)	(1,949)	(5,164)	(1,031)
Non-controlling interests	-	-	-	-
	<b>(4,740)</b>	<b>(1,949)</b>	<b>(5,164)</b>	<b>(1,031)</b>

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

### NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Second Quarter Ended 31 October 2023	Second Quarter Ended 31 October 2022	6 Months Ended 31 October 2023	6 Months Ended 31 October 2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest income	(103)	(64)	(191)	(118)
(b) Other income including investment income	(322)	(609)	(811)	(1,327)
(c) Interest expense	4,892	3,227	9,724	5,549
(d) Depreciation	13,692	14,303	27,735	28,238
(e) Impairment loss on receivables	250	111	400	311
(f) Foreign exchange loss	1,303	3,762	1,899	7,590
(g) Loss on derivatives	-	(42)	-	(197)
(h) Loss on de-registration of a subsidiary	-	(5)	-	(5)
(i) Gain on termination of lease	-	(14)	-	(14)

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

*The accompanying notes are an integral part of this statement.*



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

#### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 31 October 2023	(Audited) As at 30 April 2023
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	544,885	559,865
RIGHT OF USE	36,176	37,035
DEFERRED TAX ASSETS	1,902	2,142
	582,963	599,042
<b>CURRENT ASSETS</b>		
Inventories	243,327	266,610
Trade receivables	128,043	114,582
Tax receivable	13,926	14,890
Other receivables	31,958	42,338
Cash and bank balances	32,600	44,136
	449,854	482,556
<b>TOTAL ASSETS</b>	1,032,817	1,081,598
<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	392,996	398,160
<b>TOTAL EQUITY</b>	505,207	510,371
<b>NON-CURRENT LIABILITIES</b>		
BORROWINGS	35,216	21,494
DEFERRED TAX LIABILITIES	20,507	22,162
LEASE LIABILITIES	1,007	1,749
RETIREMENT BENEFIT OBLIGATIONS	16,345	15,671
	73,075	61,076
<b>CURRENT LIABILITIES</b>		
Retirement benefit obligations	880	880
Borrowings	331,069	375,902
Lease liabilities	1,937	1,937
Trade payables	33,769	50,835
Other payables	86,170	80,038
Tax payable	488	337
Derivative liabilities	222	222
	454,535	510,151
<b>TOTAL LIABILITIES</b>	527,610	571,227
<b>TOTAL EQUITY AND LIABILITIES</b>	1,032,817	1,081,598
 Net Assets per share (RM)	 0.45	 0.45

*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 OCTOBER 2023

#### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Six Months Ended 31 October 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	-	-	(1,296)	(3,868)	(5,164)	-	(5,164)
<b>At 31 October 2023</b>	<b>112,320</b>	<b>(109)</b>	<b>109,148</b>	<b>283,848</b>	<b>505,207</b>	<b>-</b>	<b>505,207</b>

Six Months Ended 31 October 2022

	← Attributable to owners of the parent →				Non-controlling Interest	Total Equity	
	Non-distributable		Distributable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2022	112,320	(109)	105,968	302,622	520,801	-	520,801
Total comprehensive income for the period	-	-	1,381	(2,412)	(1,031)	-	(1,031)
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(8,984)	(8,984)	-	(8,984)
Total transactions with owners :	-	-	-	(8,984)	(8,984)	-	(8,984)
<b>At 31 October 2022</b>	<b>112,320</b>	<b>(109)</b>	<b>107,349</b>	<b>291,226</b>	<b>510,786</b>	<b>-</b>	<b>510,786</b>

*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  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	6 months ended 31 October 2023 RM'000	6 months ended 31 October 2022 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	35	(2,471)
Adjustments for:		
Bad debts written off	100	11
Depreciation	26,112	26,530
Depreciation- right of use assets	1,623	1,708
Interest expense	9,665	5,483
Interest expense- lease	59	66
Interest income	(191)	(118)
Gain on de-registration of a subsidiary	-	(5)
Gain on disposal of property, plant and equipment	(117)	(5)
Gain on termination of lease	-	(14)
Net fair value gain on derivatives	-	(197)
Plant and equipment written off	7	-
Increase in liability for defined benefit plan	895	1,156
Impairment loss on loan and receivables	300	300
Reversal of impairment loss on plant & equipments	110	-
Unrealised foreign exchange loss	-	290
Total adjustments	38,563	35,205
<b>Operating cash flows before changes in working capital</b>	38,598	32,734
Changes in working capital		
Decrease/ (increase) in receivables	13,829	(3,601)
Increase/ (decrease) in inventories	24,449	(15,654)
Decrease in payable	(32,333)	(13,322)
Decrease in retirement benefit obligations	(222)	(518)
Total changes in working capital	5,723	(33,095)
<b>Cash flows generated from/ (used in) operations</b>	44,321	(361)
Interest paid	(9,665)	(5,483)
Tax paid	(4,920)	(9,895)
Tax refunded	699	-
<b>Net cash flow generated from/ (used in) operating activities</b>	30,435	(15,739)
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(8,655)	(9,752)
Interest received	191	118
Proceeds from disposal of plant and equipment	180	309
<b>Net cash used in investing activities</b>	(8,284)	(9,325)
<b>FINANCING ACTIVITIES</b>		
Net change in bank borrowings	(32,889)	28,560
Payment of lease liabilities	(1,247)	(1,333)
<b>Net cash generated used in financing activities</b>	(34,136)	18,243
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(11,985)	(6,821)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	44,136	49,152
<b>Effects of exchange rate changes</b>	449	4
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	32,600	42,335
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	(147)	13,412
Deposits with licensed banks:		
Fixed deposit	14,995	14,651
Short term placements	17,752	14,272
	32,600	42,335

**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 October 2023 RM'000
Loan and borrowing	397,396	(32,889)	-	1,778	366,285
Lease liabilities	3,686	(1,247)	466	39	2,944
<b>Total liabilities from financing activities</b>	401,082	(34,136)	466	1,817	369,229

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 OCTOBER 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 121: The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred



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## INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2023 NOTES TO THE INTERIM FINANCIAL REPORT

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

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

### 3. Significant Accounting Estimates and Judgements

#### (a) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

#### (b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the operating date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unused reinvestment allowance to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowance can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of unrecognised tax losses and capital allowances of the Group as at 31 October 2023 was RM144.2 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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### 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 current financial quarter and 6 months ended 31 October 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 6 months ended 31 October 2023.

### 7. Changes in Estimates

There were no material changes in estimates of amount reported in prior financial quarter that have a material effect in the current financial quarter and 6 months ended 31 October 2023.

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial quarter and 6 months ended 31 October 2023.

### 8. Dividend Paid

There were no dividends paid during Q2FY2024.

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



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**INTERIM FINANCIAL REPORT  
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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 the 6 months ended 31 October 2023 are as follows:

	<b>Tissue Paper Products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>			
Revenue from external customers	307,424	141,117	448,541
<b>Result</b>			
Segment results	(5,328)	14,896	9,568
Interest income	181	10	191
Operating profit	(5,147)	14,906	9,759
Finance costs	(6,664)	(3,060)	(9,724)
<b>Segment profit</b>	<b>(11,811)</b>	<b>11,846</b>	<b>35</b>
Included in the measure of segment profit are			
- depreciation	(23,591)	(4,144)	(27,735)
- non-cash expenses other than depreciation and amortisation	(1,124)	(170)	(1,294)
<b>Segment assets</b>	<b>880,727</b>	<b>152,090</b>	<b>1,032,817</b>
Included in the measure of segment assets is			
- capital expenditure	8,707	358	9,065

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

	<b>Tissue Paper Products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>			
Revenue from external customers	312,581	124,991	437,572
<b>Result</b>			
Segment results	(10,369)	13,329	2,960
Interest income	107	11	118
Operating profit	(10,262)	13,340	3,078
Finance costs	(3,964)	(1,585)	(5,549)
<b>Segment profit</b>	<b>(14,226)</b>	<b>11,755</b>	<b>(2,471)</b>



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

Segment information for the 6 months ended 31 October 2022 are as follows (cont'd):

	<b>Tissue Paper Products RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Total RM'000</b>
Included in the measure of segment profit are			
- depreciation	(24,011)	(4,227)	(28,238)
- non-cash expenses other than depreciation and amortisation	(1,418)	(119)	(1,537)
<b>Segment assets</b>	<b>905,978</b>	<b>179,652</b>	<b>1,085,630</b>
Included in the measure of segment assets is			
- capital expenditure	10,694	2,000	12,694

### 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 the 6 months ended 31 October 2023, there were acquisition and disposal of plant and equipment amounted to RM8.7 million and RM0.06 million respectively.

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

There were no significant material and subsequent events since 31 October 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 current financial quarter and 6 months ended 31 October 2023.

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

The corporate guarantees of the Company are as follows:

	<b>As at 31.10.2023 RM'000</b>	<b>As at 30.04.2023 RM'000</b>
(a) Corporate guarantees given to banks as securities for credit facilities granted to certain subsidiaries	366,285	397,396



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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	
	Second Quarter Ended		6 Months Ended	
	31.10.2023	31.10.2022	31.10.2023	31.10.2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Tissue Paper Products	152,114	161,101	307,424	312,581
Personal Care Products	72,549	59,267	141,117	124,991
<b>Group</b>	<b>224,663</b>	<b>220,368</b>	<b>448,541</b>	<b>437,572</b>
<b>Profit before tax</b>				
Tissue Paper Products	(8,429)	(8,325)	(11,811)	(14,226)
Personal Care Products	6,020	3,101	11,846	11,755
<b>Group</b>	<b>(2,409)</b>	<b>(5,224)</b>	<b>35</b>	<b>(2,471)</b>

**Performance of current financial quarter ended 31 Oct 2023 (“Q2FY2024”) and preceding year corresponding quarter ended 31 October 2022 (“Q2FY2023”)**

Group revenue for Q2FY2024 reached RM224.7 million, a 1.9% increase compared to Q2FY2023's RM220.4 million. This growth was primarily driven by increased sales in the personal care products segment.

The Group reported a loss before tax of RM2.4 million for Q2FY2024, reflecting a 53.9% increase compared to the RM5.2 million loss recorded in Q2FY2023. The improvement in the loss before tax was primarily due to a decline in material costs and higher sales generated from the personal care products segment. However, this improvement was partially offset by higher interest expenses and reduced income from the core board products.

**Tissue Paper Products segment**

Revenue from the tissue paper products segment for Q2FY2024 was RM152.1 million, indicating a 5.6% decrease compared to Q2FY2023's RM161.1 million. The revenue decline in the paper products segment was attributed to a decrease in sales volume. Additionally, the tissue paper segment also experienced a decline in sales from the core board products.

The tissue paper products segment recorded a loss before tax of RM8.4 million for Q2FY2024, marking a 1.2% increase compared to the RM8.3 million loss in Q2FY2023. The losses were primarily due to higher interest expenses and lower income from the core board products. Nevertheless, these losses were partially offset by a decline in material costs in Q2FY2024 compared to Q2FY2023.



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

#### Performance of Q2FY2024 against Q2FY2023 (Cont'd)

##### Personal Care Products segment

Revenue from the personal care products segment for Q2FY2024 was RM72.5 million, an increase of 22.4% as compared to RM59.3 million recorded in Q2FY2023. 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 Q2FY2024 was RM6 million, an increase of 94.1% over RM3.1 million registered in Q2FY2023. This increase in profit before tax was primarily due to higher sales recorded in Q2FY2024 compared to Q2FY2023.

#### Performance of 6 months ended 31 October 2023 and the 6 months ended 31 October 2022

The Group recorded a revenue of RM448.5 million in the 6 months ended 31 October 2023, which is a 2.5% increase from the RM437.6 million recorded in the 6 months ended 31 October 2022. The increase was mainly due to the increase in sales of personal care products.

The Group achieved a profit before tax of RM0.035 million in the 6 months ended 31 October 2023, marking an increase of 101.4% compared to a loss of RM2.5 million in the 6 months ended 31 October 2022. This positive shift in profit before tax was primarily attributed to the decrease in material costs and decrease in realised foreign exchange losses recorded in Q1FY2024 as opposed to Q1FY2023.

However, this positive trend was somewhat mitigated by higher interest expenses and advertising costs, along with the general inflationary pressures impacting administrative costs. Additionally, a reduction was noted in the income derived from core board products, having a negative impact on profitability.

##### Tissue Paper Products segment

Revenue from the tissue paper products segment in the 6 months ended 31 October 2023 was RM307.4 million, a decrease of 1.6% as compared to RM312.6 million in the 6 months ended 31 October 2022. The revenue decline in the paper products segment was attributed to a decrease in volume. Additionally, the tissue paper segment also experienced a decline in sales from the core board products.

The Group recorded a loss before tax of RM11.8 million in the 6 months ended 31 October 2023 in the tissue paper products segment, an increase of 17% over a loss of RM14.2 million registered in 6 months ended 31 October 2022. The lower loss before tax was primarily due to the decline in material costs and decrease in realised foreign exchange losses recorded in Q1FY2024 as opposed to Q1FY2023.

However, this positive trend was somewhat mitigated by higher interest expenses and advertising costs, along with the general inflationary pressures impacting administrative costs. Additionally, a reduction was noted in the income derived from core board products, having a negative impact on profitability.



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

#### Performance of 6 months ended 31 October 2023 and the 6 months ended 31 October 2022 (cont'd)

##### Personal Care Products segment

Revenue from the personal care products segment in the 6 months ended 31 October 2023 was RM141.1 million, an increase of 12.9% as compared to RM124 million recorded in the 6 months ended 31 October 2022. This was mainly driven by the increase in revenue generated baby diaper product.

Profit before tax in the personal care products segment in the 6 months ended 31 October 2023 was RM11.85 million, an increase of 0.8% over RM11.76 million registered in the 6 months ended 31 October 2022. The slight improvement in the profit before tax was primarily due to higher sales generated. However, this improvement was partially offset by higher interest expenses recorded and the depreciation of the Ringgit Malaysia.

### 15. Performance of Q2FY2024 against preceding quarter ended 31 July 2023 (“Q1FY2024”)

	Individual Financial Quarter		Variance	
	Q2FY2024	Q1FY2024		
	RM'000	RM'000	RM'000	%
<b>Revenue</b>	224,663	223,878	785	0.4
<b>Profit before tax</b>	(2,409)	2,444	(4,853)	(198.6)

The revenue for Q2FY2024 amounted to RM224.7 million, representing a 0.4% increase compared to Q1FY2024, which reported RM223.9 million. This growth was predominantly driven by increased sales in the personal care products segment.

However, the Group's consolidated profit before tax witnessed a decline of RM4.9 million or 198.6% in Q2FY2024 compared to Q1FY2024. The decrease in profit before tax was primarily attributed to higher exchange losses recorded in Q2FY2024 due to the depreciation of the Ringgit Malaysia and higher advertising expenses recorded in Q2FY2024.



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### 16. Prospects

With the persistent geopolitical tensions and adjustments from the aftermath of COVID 19 pandemic, the inflationary pressure and volatile foreign exchange rates hamper economic growth and consumer confidence. The business operations environment for the Group in Malaysia and beyond remains very challenging.

The Group is positioned to meet the challenge in its existing markets which have become very competitive. With the recent stabilisation in raw material prices, encompassing pulp and waste paper, and the efficient distribution ecosystem of the Group, the Group is able to adjust its marketing strategy, including lowering its product prices to remain competitive, appealing to a broader customer base, increasing customer interest and fostering brand loyalty.

Subject to lesser uncertainty surrounding the USD exchange rate and barring unforeseen circumstances, the Group aims to achieve better performance in the coming quarter.

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

Not applicable.

### 18. Taxation

	Q2FY2024 RM'000	6 Months Ended 31 October 2023 RM'000
Income tax		
Current year	2,620	5,319
Prior year	-	-
	<u>2,620</u>	<u>5,319</u>
Deferred tax		
Current year	(996)	(1,416)
Prior year	-	-
	<u>1,624</u>	<u>3,903</u>

The Group's effective tax rate for the current financial quarter ended 31 October 2023 and the 6 months ended 31 October 2023 is higher than the statutory tax rate mainly due to the unutilised tax loss for certain subsidiaries not recognised as deferred tax assets and unabsorbed of capital allowances.



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**19. Status on Corporate Proposals**

There were no significant corporate proposals for the current financial quarter and the 6 months ended 31 October 2023.

**20. Group Borrowings**

**As at 31 October 2023**

**RM'000**

<b>Non-current</b>		
<b>Unsecured</b>		
Hire purchase		57
Long term loans		35,159
<b>Current</b>		
<b>Unsecured</b>		
Bankers' acceptance		96,644
Hire purchase		9
Onshore foreign currency loan		35,553
Revolving credit		171,937
Term loans		19,471
Trust Receipt		7,455
		<u>366,285</u>

The borrowings are denominated in the following currencies:

**31 October 2023**

**RM'000**

	<b>Ringgit Malaysia</b>	<b>Thai Baht</b>	<b>US Dollar</b>	<b>Total</b>
Bankers' acceptance	96,644	-	-	96,644
Hire purchase	-	66	-	66
Onshore foreign currency loan	-	-	35,553	35,553
Revolving credit	61,400	-	110,537	171,937
Trust receipt	28,272	-	26,358	54,630
*Term loans	-	-	7,455	7,455
	<u>186,316</u>	<u>66</u>	<u>179,903</u>	<u>366,285</u>

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





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### 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	26,872	222

#### 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 Oct 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 Q2FY2024 and 6 months ended 31 October 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 Q2FY2024 and 6 months ended 31 October 2023, 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 Q2FY2024 and 6 months ended 31 October 2023. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for FY2023.

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NOTES TO THE INTERIM FINANCIAL REPORT****22. Material litigation**

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

**23. Proposed Dividends**

A single tier interim dividend of 0.80 sen per ordinary share in respect of the financial year ending 30 April 2024 has been declared on 18 December 2023 and is to be paid on 26 January 2024 to depositors registered in the records of Depositors at the close of business on 4 January 2024. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial quarter ending 31 January 2024.

**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:

	<b>Individual Quarter Second Quarter Ended</b>		<b>Cumulative Quarter 6 Months Period Ended</b>	
	<b>31.10.2023</b>	<b>31.10.2022</b>	<b>31.10.2023</b>	<b>31.10.2022</b>
Net loss attributable to ordinary shareholders (RM'000)	(4,033)	(3,492)	(3,868)	(2,412)
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)	(0.36)	(0.31)	(0.34)	(0.21)

**By Order of the Board****Company Secretary****DATED THIS 18<sup>th</sup> December 2023**