

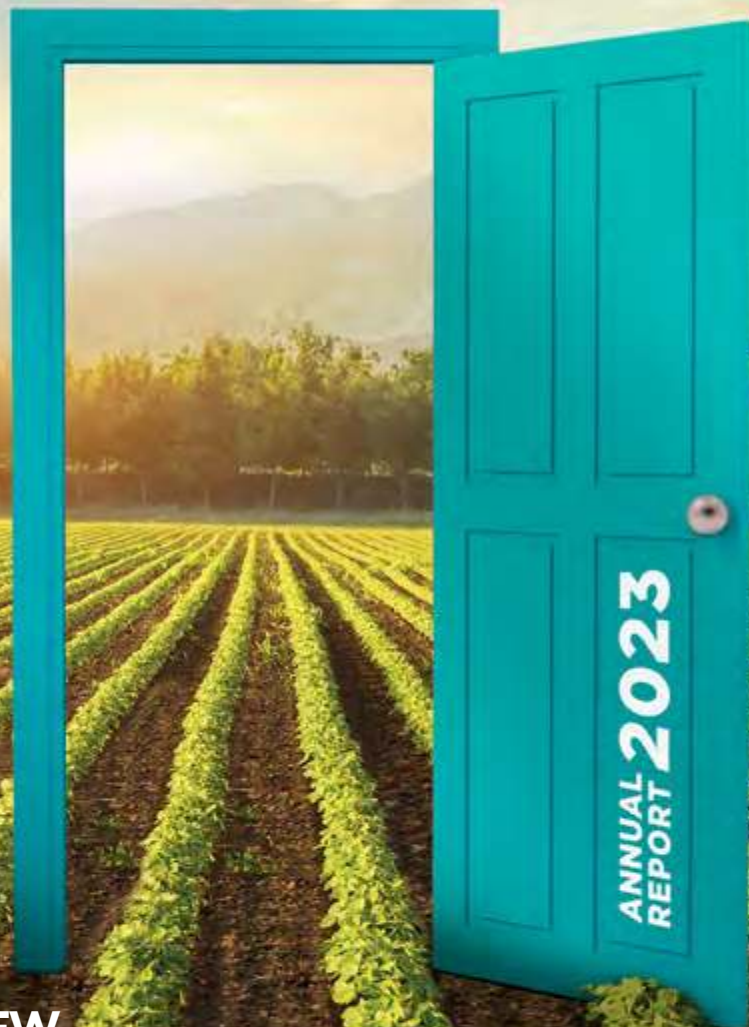


NTPM HOLDINGS BERHAD

Registration No. 199601012313 (384662-U)

启顺控股有限公司

(Incorporated in Malaysia)



**ANNUAL
REPORT 2023**

**NEW
OPPORTUNITIES FOR
SUSTAINABILITY**

IN THIS REPORT



New Opportunities for Sustainability

NTPM Holdings Berhad enters the door of sustainability with full dedication and commitment. We aspire to strike an optimal balance in using earth resources for better sustainable lifestyle and a greener world. We strive to continue to seek new opportunities for sustainability in innovating to reduce input, control wastage, manage emission while maximise output for greater sustainable success.



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Corporate Information

BOARD OF DIRECTORS

Lee See Jin

Chairman cum Managing Director

Lee Chong Choon

Executive Director and Group Chief Executive Officer ("Group CEO")

Tan Choon Thye

Independent Non-Executive Director

Dato' Dr. Juita Binti Ghazalie

Independent Non-Executive Director

Chang Hui Yuin

Independent Non-Executive Director

Nishant Grover

Non-Independent Non-Executive Director

Audit Committee

Tan Choon Thye
Independent Non-Executive Director, Chairman

Dato' Dr. Juita Binti Ghazalie
Independent Non-Executive Director, Member

Chang Hui Yuin
Independent Non-Executive Director, Member

Nominating Committee

Tan Choon Thye
Independent Non-Executive Director, Chairman

Dato' Dr. Juita Binti Ghazalie
Independent Non-Executive Director, Member

Chang Hui Yuin
Independent Non-Executive Director, Member

Risk Management Committee

Lee Chong Choon
Executive Director and Group CEO, Chairman

Tan Choon Thye
Independent Non-Executive Director, Member

Dato' Dr. Juita Binti Ghazalie
Independent Non-Executive Director, Member

Chang Hui Yuin
Independent Non-Executive Director, Member

Investment Committee

Tan Choon Thye
Independent Non-Executive Director, Chairman

Lee See Jin
Chairman cum Managing Director, Member

Lee Chong Choon
Executive Director and Group CEO, Member

Dato' Dr. Juita Binti Ghazalie
Independent Non-Executive Director, Member

Chang Hui Yuin
Independent Non-Executive Director, Member

Head Office

No. 886, Jalan Bandar Baru,
Sungai Kecil 14300 Nibong Tebal,
Seberang Perai Selatan, Pulau Pinang
Tel No. : 04-593 1296 / 04-593 1326
Fax No. : 04-593 3373
Email : marketing@ntpm.com.my
Website : <http://www.ntpm.com.my>

Company Secretaries

Yeow Sze Min (SSM PC No. 201908003120)
(MAICSA 7065735)

Low Seow Wei (SSM PC No. 202008000437)
(MAICSA 7053500)

Registered Office

Suite 18.05, MWE Plaza,
No. 8, Lebuhr Farquhar,
10200 George Town, Pulau Pinang
Tel No. : 04-263 1966
Fax No. : 04-262 8544
Email: info@sshsb.com.my

Auditors

Ernst & Young PLT
Chartered Accountants
Block J, Level 13A, Wisma AIA,
Jalan Seri Tanjung Pinang,
Tanjung Tokong, 10470, Pulau Pinang

Principal Bankers

CIMB Islamic Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd

Share Registrar

Securities Services (Holdings) Sdn Bhd
Suite 18.05, MWE Plaza,
No. 8, Lebuhr Farquhar,
10200 George Town, Pulau Pinang
Tel No. : 04-263 1966
Fax No. : 04-262 8544
Email : info@sshsb.com.my

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Name : NTPM
Stock Code : 5066

Managing Director's Review and Management Discussion and Analysis

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

On behalf of the Board of Directors of NTPM Holdings Berhad ("NTHB" or "the Company"), it gives me great pleasure to present the Annual Report and the Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial year ended 30 April 2023 ("FY2023").

NTHB is an investment holding company. The Group is principally involved in the manufacture and distribution of tissue paper and personal care products. The Group's segments comprise the Tissue Paper Products Segment and the Personal Care Products Segment. The Tissue Paper Products Segment includes facial tissues, toilet rolls, kitchen towel rolls tissues, serviettes and napkins and paper core. The Personal Care Products Segment includes feminine hygienic products, cotton products, baby diapers, wet tissue and products for incontinence. The Group's products are sold under brands such as Premier, Cutie, Royal Gold, Budget, Vina, Intimate, Blossom and Diapex. The Group also provides hygienic solution to companies and institutions including tissue products, soaps and dispensers with brands such as CONV. Currently, the Group operates five (5) manufacturing plants of which two (2) are located in Parit Buntar, Perak, two (2) are located in Nibong Tebal, Penang and one (1) is located in Binh Duong, Vietnam.

During FY2023, the COVID-19 pandemic was no longer a major concern. However, the measures taken by the various governments during the pandemic such as movement control, relief assistances, fiscal stimuli etc have impact beyond the pandemic. Some notable effects are inflationary pressure, labour supplies, supply chain realignment and consumers sentiment. Coupled with the Russia and Ukraine war since February 2022, FY2023 was a year full of uncertainty for the Group. We saw substantial increase in the cost of almost all our major input materials which included pulp and waste paper. We also experienced significant increase in the costs of transportation, freight, labour, energy, and financing, as well as fluctuations in foreign exchanges. The Group managed to offset the increase in costs only partially by repricing its products. For FY2023, the Group registered an increase in revenue of about 13.5% to RM868.3 million but a decrease in profit before tax of about 99.6% to RM174 thousand.

FINANCIAL REVIEW

	FY2023	FY2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	868,289	764,898	103,391	13.5%
Other income	7,354	13,659	(6,305)	(46.2%)
Purchase of trading stocks	(58,653)	(53,286)	5,367	10.1%
Changes in inventories of finished goods and work in progress	21,791	26,138	4,347	(16.6%)
Raw materials and consumables used	(453,253)	(359,771)	93,482	26.0%
Transportation costs	(50,901)	(45,908)	7,303	15.9%
Employee benefits expenses	(167,177)	(157,023)	10,154	6.5%
Utilities cost	(51,764)	(43,790)	5,664	12.9%
Other expenses	(48,766)	(46,573)	2,193	4.7%
Earnings before interest, taxes, depreciation, and amortisation	66,920	98,344	(31,424)	(32.0%)
Depreciation	(52,098)	(47,559)	4,539	9.5%
Earnings before interest and taxes	14,822	50,785	(35,963)	(70.8%)
Finance costs	(14,648)	(7,297)	7,351	100.7%
Profit before taxation	174	43,488	(43,314)	(99.6%)
Taxation	(6,055)	(14,975)	8,920	(59.6%)
(Loss)/Profit after taxation	(5,881)	28,513	(34,394)	(120.6%)

FINANCIAL REVIEW (Cont'd)

Revenue

Despite operating under the continuing challenging environment, the Group has recorded a total revenue of RM868.3 million in FY2023, which is 13.5% increase from the RM764.9 million recorded in FY2022. This improvement in revenue was driven by the increase in sales of both product segments, especially the Tissue Paper Products Segment. In terms of product mix, Tissue Paper Products Segment, being the dominant range of products, contributed about 71% (2022: 70%) of the total revenue, with the Personal Care Products Segment making up the balance.

In terms of geographical segment, in FY2023, 72% of the Group's revenue was contributed by our customers located in Malaysia, an increase about RM73.2 million or 13.3% as compared to FY2022. Of the remaining 28%, our customers in Singapore contributed 10% and in Vietnam, 8%. These three (3) main locations contributed roughly the same percentage of the Group's revenue as in FY2022.

Earnings before interest, taxes, depreciation, and amortisation ("EBITDA")

Despite the increase in revenue, the Group has recorded an EBITDA of RM66.9 million in FY2023, a decrease of 32% as compared to RM98.3 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 United States Dollars;
- the increase in employee benefits expense as a result of the implementation of minimum wages under the Employment Act 1955 (Amendment 2022) effective 1 January 2023;
- the increase in utilities costs due to the adjustment on electricity and gas tariff effective 1 January 2023;
- the decrease in unrealised foreign exchange gain recognised in FY2023 as compared to FY2022; and
- general inflationary pressure on the selling and distribution costs and the administrative costs.

Nonetheless, the increase in costs was also partially offset by the reversal of revaluation deficit of RM3.2 million.

Earnings before interest and taxes ("EBIT")

The Group recorded an EBIT of RM14.8 million in FY2023 as compared to RM50.8 million in FY2022. Depreciation expense has increased by 9.5%. The increase in depreciation expense was mainly due to certain manufacturing machines for core board and baby diapers being commissioned by the suppliers in FY2023. With the reopening of borders after more than two (2) years of pandemic movement control restriction, these machines were first put to use in FY2023.

Finance costs

The Group's finance costs have increased by RM7.4 million or 100.7% from RM7.3 million to RM14.6 million due to the increase in loans and borrowings as well as interest rate.

Profit after taxation

The Group recorded a loss after taxation of RM5.9 million in FY2023, a decrease of 120.6% as compared to the profit after taxation of RM28.5 million in FY2022. The Group's effective tax rate for FY2023 is higher than the statutory tax rate mainly due to the unutilised tax losses of certain subsidiaries, where deferred tax assets were not recognised when the recognition criteria were not satisfied.

Managing Director's Review and Management Discussion and Analysis

FINANCIAL REVIEW (Cont'd)

Financial Position and Cash Flow

	FY2023	FY2022	Changes	
	RM'000	RM'000	RM'000	%
Property, plant & equipment	559,865	582,756	(22,891)	(4%)
Right-of-use assets	37,035	37,673	(638)	(2%)
Other assets	2,142	853	1,289	151%
Total non-current assets	599,042	621,282	(22,240)	(4%)
Trade and other receivables	156,920	150,002	6,918	5%
Inventories	266,610	228,061	38,549	17%
Other assets	59,026	59,148	(122)	(0%)
Total current assets	482,556	437,211	45,345	10%
Total Assets	1,081,598	1,058,493	23,105	2%
Total loans and borrowings	397,396	368,606	28,790	8%
Trade payables	50,835	51,054	(219)	(0%)
Other liabilities	122,996	118,033	4,963	4%
Total Liabilities	571,227	537,693	33,534	6%
Total Equity	510,371	520,800	(10,429)	(2%)

The Group's total shareholders' fund registered RM510.4 million as at 30 April 2023 as compared to RM520.8 million as at 30 April 2022, due to net losses as well as the payment of first interim dividend in FY2023.

The Group's total assets as at 30 April 2023 grew by 2% to RM1,081.6 million as compared to RM1,058.5 million as at 30 April 2022. The increase was primarily due to the increase in current assets, whilst being offset by the decrease in property, plant and equipment. The property, plant and equipment decreased from RM582.8 million as at 30 April 2022 to RM559.9 million as at 30 April 2023, largely caused by depreciation charges of RM48.7 million. The Group's current assets increased by RM45.3 million from RM437.2 million as at 30 April 2022 to RM482.6 million as at 30 April 2023 due to the increase in trade and other receivables and inventories by RM6.9 million and RM38.5 million, respectively.

The Group's total liabilities as at 30 April 2023 increased by 6% to RM571.2 million as compared to RM537.7 million as at 30 April 2022. The increase in total liabilities

was contributed by the increase in loans and borrowings to RM397.4 million as at 30 April 2023 (as at 30 April 2022: RM368.6 million). As a result, the net gearing ratio increased to 41% as at 30 April 2023 (as at 30 April 2022: 38%).

As at 30 April 2023, the Group's cash and cash equivalents decreased by RM5.6 million as compared to RM49.2 million as at 30 April 2022, due to the following:

- Net cash used in operating activities of RM 8.7 million as a result of the increase in cash utilised for working capital purposes in FY2023;
- Net cash outflow of RM17.1 million for investing activities, of which an amount of RM17.7 million was for the capital expenditures, partly offset by sales proceeds received from the disposal of property, plant and equipment of RM0.3 million; and
- Net cash generated from financing activities of RM20.2 million mainly due to the net drawdown of bank borrowing amounting RM31.7 million which was offset by first interim dividend and lease payment of RM9 million and RM2.6 million, respectively.

SEGMENTAL PERFORMANCE

	FY2023		
	Tissue Paper Products RM'000	Personal Care Products RM'000	Total RM'000
Revenue	619,001	249,288	868,289
Net segmental result	(12,353)	26,871	14,518
Interest income and finance cost	(10,164)	(4,180)	(14,344)
(Loss)/Profit before tax	(22,517)	22,691	174

	FY2022		
	Tissue Paper Products RM'000	Personal Care Products RM'000	Total RM'000
Revenue	534,836	230,063	764,899
Net segmental result	16,376	34,242	50,618
Interest income and finance cost	(4,950)	(2,181)	(7,131)
Profit before tax	11,426	32,061	43,487

Tissue Paper Products Segment

During FY2023, the Tissue Paper Products Segment remained the primary contributor, accounting for 71% of the Group's total revenue. Its revenue increased from RM534.8 million in FY2022 to RM619 million in FY2023, primarily attributed to the increase in average selling price and the slight improvement in sales volume. The segment recorded a loss before tax of RM22.5 million in FY2023, a decrease of 297.1% over a profit before tax of RM11.4 million registered in FY2022. The increase in the product prices across a broad spectrum of tissue paper products was only able to offset partially the impact of the soaring costs of production.

In FY2023, the annual production capacity of the Group's tissue paper machines in its manufacturing facilities in Malaysia and Vietnam was 160,000mt. The Group has unutilised capacity of about 50% to reinforce

its market position, explore new business opportunities, and meet the evolving needs of customers both domestically and internationally. The Group will continue leveraging on its strengths to position for continued success and competitiveness in the tissue industry.

Consumer awareness on the negative impact of climate change continues to improve, leading to a greater emphasis for environmentally friendly products. The Group is well positioned to capitalise on the growing demand for eco-friendly tissue paper. The Group has conducted briefings with customers to promote the green features of our products and encourage them to consider recycled content products or low carbon products. The Group will continue to expand its sustainable recycled grade manufacturing process in line with its aspirations of being a green company specialising in converting wastes

into useful products. The Group is optimistic that the introduction of its environmentally friendly product range to the market would improve sales in addition to reducing environmental carbon footprint.



Managing Director's Review and Management Discussion and Analysis

SEGMENTAL PERFORMANCE (Cont'd)

Personal Care Products Segment

In FY2023, the Personal Care Products Segment recorded a revenue of 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 in the segment except wet tissue and sanitary napkin products. The increase in revenue was driven by the increase in average selling prices, but partly offset by the drop in sales volume. It reported a profit before tax of RM22.7 million in FY2023, a 29.2% decrease from RM32.1 million in FY2022. Similarly, the increase in revenue was not sufficient to offset entirely the impact of the increase in the costs of production.

Benefiting from the steady rise in national income and the sustained high level of health awareness about intimate hygiene, the trend towards convenient and handy sanitary products creates an increasing demand for feminine hygiene products. To gain market share, the Group has devoted more resources to develop more high-quality products. The Group will also step up its efforts and invest in more production facilities for pantliners to increase its inhouse capacity at the appropriate time.

The Personal Care Products Segment remains an important growth segment which the Group has entrenched in Malaysia. The Group will launch its other personal care products in Thailand and Vietnam as part of its regionalisation plan, considering the gradual improvement of the supply chain situation post COVID-19 pandemic.

CHANGES IN GROUP COMPOSITION

During FY2023, Nibong Tebal Paper Products Sdn. Bhd. ("NTPP"), a dormant subsidiary of which the Group held 100% equity stake, has applied to be strike-off from the Register of Companies Commission of Malaysia (the "Register"). In October 2022, NTPP was striking-off from the Register.

MANAGING RISKS

The following are the risks that could adversely affect the Group's prospects. The Group will continue to map its plans and strategies to mitigate these risks.



Cost Inflation

Cost inflation is the risk that can be brought about by the uncertainties in the global markets, outbreaks of diseases, and fluctuations in foreign exchange rates. The Group has significant exposures to commodity price fluctuations, such as pulp, waste paper and non-woven materials, which may affect the Group's pricing strategy and profitability level. Cost inflation risks also include, amongst others, any increase in the costs of labour, energy, and transportation. To mitigate the impact of cost inflation, the Group focuses on optimising its supply chain. This includes exploring alternative sourcing options, negotiating favourable terms with the suppliers and adopting lean practices to minimise costs at each stage of the supply chain.

Energy costs are influenced by a complex interplay of factors, including energy prices, regulatory decisions, climate change actions and geopolitical factors. These variables can create uncertainty and make it challenging for manufacturing operations to be fully protected against substantial changes in energy prices and availability. The Group maintains energy efficiency improvement programmes at manufacturing facilities which lead to significant cost savings, reduced environmental impact and improved overall operational efficiency.



Market Competition

Rivalry among industry players is a significant factor that can impact profits in a competitive market. This rivalry often leads to intense price competition and declining profit margins as companies strive to gain a competitive advantage and attract customers. To navigate the challenges posed by rivalry, the Group focuses on long-term sustainable growth, differentiation and cost management. These strategies may include investing in research and development to innovate, understanding customer needs and preferences, building strong customer relationships and continually improving operational efficiency. Additionally, the Group will stay vigilant about market trends and competitors' actions to adapt and respond proactively to changing market conditions.

MANAGING RISKS (Cont'd)



Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group sells its products to a wide variety of customers under certain credit terms and is therefore exposed to credit risks.

The Group typically grants credit terms of between 30 days and 90 days, subject to a credit limit set upon the evaluation of the credit worthiness of each customer. The Group routinely assesses the financial strength of its customers and mitigates any identified exposure primarily by lowering credit limits of high-risk accounts. Certain trade receivables in Malaysia are covered by trade insurance policy. As a result, the Group believes that its exposure to credit risk is limited.



Currency Risk

The Group is exposed to foreign exchange risk arising from the foreign exchange rate fluctuations between the currency of its sales and its imports of direct materials, as well as its borrowings which are denominated in foreign currencies. The Group has in substance a natural hedge in place as its material purchases and sales which are denominated in foreign currencies are about evenly matched. However, the Group may enter into forward contracts to mitigate the risk of foreign exchange rate fluctuations as and when appropriate. In FY2023, the Group entered a term loan with cross currency interest rate swap which is mainly used to hedge the Group's borrowings denominated in United States Dollar. The Group also takes active steps to minimise its foreign currency exchange exposure in its procurement and purchasing arrangements with both its local and foreign suppliers.



Managing Director's Review and Management Discussion and Analysis

STRATEGY FOR SUSTAINABLE PROFITABLE GROWTH

The global economy remains uncertain. The Group's journey throughout FY2023 was braced with unprecedented challenges, namely the supply chain interruptions, and price volatility of raw materials and other necessary supplies or services. FY2023 was indeed an extremely challenging year for the Group. The Group will remain vigilant and will continue to work on improving its competitiveness and market presence by continuing to expand and improve its distribution channel within and outside Malaysia. Beyond that, the Group's mission to drive growth remains focused on the following development strategies:

- continue to focus on product innovation and strive to stand out from our peers by optimising our product mix to increase the brand competitiveness and profit margin of the Group;
- continue to expand the Group's Personal Care Products Segment in Malaysia, Thailand and Vietnam;
- continue to make the best use of our resources to optimise our cost-effectiveness;
- continue to improve the production and operation efficiencies of the Group to support sustainable business growth; and
- continue to take a new marketing position for recycled grade with eco-friendly products.

DIVIDEND

The Board of Directors is not recommending any final dividend for FY2023. The total net dividend for FY2023 amounted to 0.80 sen per ordinary share.

FUTURE CHALLENGES AND OUTLOOK

Looking forward to FY2024, the lingering geopolitical tensions, the Russia and Ukraine war and the uncertain United States Dollar movement will possibly impede economic growth and consumer confidence. With the current stabilising prices in raw materials like pulp and waste paper and other input costs, the Group see promising opportunities both in the Tissue Paper Products and Personal Care Products Segments. A more predictable cost structure will contribute towards maintaining competitive pricing of the products of the Group.

With the continual recovery of international commerce post COVID-19 pandemic, we also believe that we can leverage on our production capacity to enhance our business development, especially for the export market. Barring any unforeseen circumstances, we expect that the business of the Group will continue to be on an upward trajectory.



ACKNOWLEDGEMENT

Mr. Nishant Grover joined the Board on 20 June 2023 as a Non-Independent Non-Executive Director following Premier Investment Limited becoming a substantial shareholder with shareholding of 22.42% in the Company. Mr. Grover is the Chief Executive Officer of Tissues International, APP Sinarmas, leading all of Asia Pulp & Paper's global markets for finished goods business. I welcome him to the Board and I look forward to his invaluable contribution to the Group.

Dr. Teoh Teik Toe resigned from the Board on 16 May 2023. He has contributed significantly to the progress of the Group over the years. I take this opportunity to thank him and wish him well.

On behalf of the Board of Directors, I would like to extend my sincere gratitude to our shareholders and the management and employees of the Group for their underlying dedication, passion and contribution to the success of the Group, especially in such a challenging year. I would also like to express my appreciation to all other stakeholders including the government authorities, customers, suppliers, vendors, bankers and business partners for their support extended to the Group.

Last but not least, I would like to thank my fellow Board members for their insightful counsel and service to the Board which have been invaluable. I look forward to your continued support.

Lee See Jin

Chairman cum Managing Director
Date: 7 August 2023

董事经理的营运总结回顾检讨及管理层讨论与分析

本集团业务及营运概述

本人很荣幸能代表启顺造纸业有限公司 (以下简称NTHB或本公司) 董事局及其子公司 (以下简称本集团) 报告截至2023年4月30日的财政年 ("2023财政年") 的年度报告和经审查的财务报表。

NTHB主要是一家投资控股公司。本集团是纸巾和个人护理产品的主要制造商和分销商，并由两大部门即纸巾产品部和个人护理产品部组成。纸巾产品部的产品包括面巾、厕纸、厨房纸巾、餐纸巾、餐巾和纸芯。个人护理产品则有女性卫生用品、棉制品、婴儿尿片、湿纸巾和成人失禁用品。其家喻户晓的品牌包括Premier, Cutie, Royal Gold, Budget, Vina, Intimate, Blossom 和 Diapex。

同时，本集团也为公司和机构提供卫生用品，包括使用CONV品牌的纸巾用品、肥皂及分配器。目前，本集团共拥有五间制造工厂，其中两间位于霹靂州的巴里文打，两间位于槟州的高渊及一间位于越南的平阳 (Binh Duong)。



2023财政年，新冠肺炎疫情不再是主要的因素。然而，各国政府在疫情期间所采取的措施，如行动管制令、救济援助和财政刺激等，于疫情后持续影响社会经济。一些显著的影响包括通货膨胀压力、劳动力供应、供应链调整和消费者情绪。再加上自2022年2月开始的俄罗斯与乌克兰的战争，2023财政年对本集团来说是充满变数的。我们看到几乎所有主要原材料包括纸浆和废纸、运输费用、劳动力、能源和融资成本都大幅上涨以及外汇波动。本集团通过调整产品价格来抵消部分上涨的成本。2023财政年，本集团收入上升约13.5%，达到8亿6830万令吉，但税前利润下降了约99.6%，仅有17万4千令吉。

财务回顾

	FY2023	FY2022	Changes	
	(2023财政年)	(2022财政年)	(差异)	
	RM'000	RM'000	RM'000	%
Revenue (收入)	868,289	764,898	103,391	13.5%
Other income (其他收入)	7,354	13,659	(6,305)	(46.2%)
Purchase of trading stocks (购买贸易库存)	(58,653)	(53,286)	5,367	10.1%
Changes in inventories of finished goods and work in progress (成品与在制品的库存变动)	21,791	26,138	4,347	(16.6%)
Raw materials and consumables used (原材料和消耗品)	(453,253)	(359,771)	93,482	26.0%
Transportation costs (运输费用)	(50,901)	(45,908)	7,303	15.9%
Employee benefits expenses (雇员福利支出)	(167,177)	(157,023)	10,154	6.5%
Utilities cost (水电气费)	(51,764)	(43,790)	5,664	12.9%
Other expenses (其他支出)	(48,766)	(46,573)	2,193	4.7%
Earnings before interest, taxes, depreciation, and amortisation (税息折旧及摊销前利润)	66,920	98,344	(31,424)	(32.0%)
Depreciation (折旧)	(52,098)	(47,559)	4,539	9.5%
Earnings before interest and taxes (息税前利润)	14,822	50,785	(35,963)	(70.8%)
Finance costs (财务成本)	(14,648)	(7,297)	7,351	100.7%
Profit before taxation (税前利润)	174	43,488	(43,314)	(99.6%)
Taxation (税务)	(6,055)	(14,975)	8,920	(59.6%)
(Loss)/Profit after taxation (亏损)/税后利润	(5,881)	28,513	(34,394)	(120.6%)

董事经理的营运总结回顾检讨及管理层讨论与分析

财务回顾 (续)

收入

尽管营运环境充满挑战，本集团2023财政年总收入为8亿6830万令吉，比截至2022年4月30日的财政年 ("2022财政年") 的7亿6490万令吉增加了13.5%。这是由于纸巾产品和个人护理产品的收入增加了，尤其是纸巾产品。在产品分类来说，纸巾产品是主要的产品，占了总收入的71% (FY2022: 70%)，其余的收入来自于个人护理产品。

以区域来看，本集团2023财政年的72%收入来自马来西亚的客户，比2022财政年的7320万令吉增加了13.3%。其余的28%中，新加坡客户占10%和越南客户占8%。以上三个主要地点对本集团收入的贡献大致与2022财政年相同。

税息折旧及摊销前利润

本集团2023财政年的税息折旧及摊销前利润从2022财政年的9830万令吉下降了32%达6690万令吉。集团的利润率受到以下因素的影响：

- 原材料成本的大幅飙升，尤其是进口原材料及运费成本的增加；
- 令吉兑美元的疲弱表现；
- 雇员福利支出增加，这是因为从2023年1月1日起，政府依据《1955年雇佣法令》(2022修正案) 实行最低薪金制而导致的；
- 水电气费上升了，电费和天然气费率已于2023年1月1日上调；
- 相比于2022财政年，2023财政年的未实现外汇收益减少了；和
- 销售和分销成本以及管理成本面对一般的通胀压力。

然而，部分增加的成本也被320万令吉的重估赤字逆转所抵消。

息税前利润

本集团2023财政年的息税前利润达1480万令吉，而2022财政年则获得5080万令吉。与2022财政年相比，2023财政年的折旧费用增加了9.5%，主要是由于纸芯和婴儿尿布的生产机器已完成交付，经历了超过两年的疫情行动管制令，边境重新开放后，这些机器已在2023财政年首次启用。

财务成本

本集团在2023财政年的净融资成本增加了100.7%或740万令吉，从730万令吉上涨至1460万令吉，主要原因是银行借款和贷款的利息增加了。

税后利润

本集团在2023财政年取得590万令吉的税后亏损，较2022财政年取得2850万令吉的税后利润减少了120.6%。本集团2023财政年的实际税率高于法定税率，这是因为某些子公司的未使用税项亏损未能确认为递延所得税资产。



财务回顾 (续)

财务状况及现金流量

	FY2023	FY2022	Changes	
	(2023财政年)	(2022财政年)	(差异)	
	RM'000	RM'000	RM'000	%
Property, plant & equipment (物业, 厂房和设备)	559,865	582,756	(22,891)	(4%)
Right-of-use assets (资产使用权)	37,035	37,673	(638)	(2%)
Other assets (其他资产)	2,142	853	1,289	151%
Total non-current assets (总非流动资产)	599,042	621,282	(22,240)	(4%)
Trade and other receivables (贸易和其他应收款)	156,920	150,002	6,918	5%
Inventories (库存)	266,610	228,061	38,549	17%
Other assets (其他资产)	59,026	59,148	(122)	(0%)
Total current assets (总流动资产)	482,556	437,211	45,345	10%
Total Assets (总资产)	1,081,598	1,058,493	23,105	2%
Total loans and borrowings (总借贷及贷款)	397,396	368,606	28,790	8%
Trade payables (贸易应付款)	50,835	51,054	(219)	(0%)
Other liabilities (其他债务)	122,996	118,033	4,963	4%
Total Liabilities (总负债)	571,227	537,693	33,534	6%
Total Equity (总股本)	510,371	520,800	(10,429)	(2%)

本集团2023年4月30日的总股本达5亿1040万令吉，而2022年4月30日则是5亿2080万令吉，资金减少主要是因为面对净亏损以及支付2023财政年首次中期股息所致。

本集团2023年4月30日的总资产为10亿8160万令吉，较2022年4月30日的10亿5850万令吉增加了2%，主要是流动资产的增加，抵消了固定资产的减少。由于抵扣了4870万令吉的折旧，固定资产从2022年4月30日的5亿8280万令吉，减少至2023年4月30日的5亿5990万令吉。由于贸易和其他应收款与库存分别增加了690万令吉和3850万令吉，本集团的总流动资产达4亿8260万令吉，较2022年4月30日的4亿3720万令吉增加了4530万令吉。

本集团2023年4月30日的总负债从2022年4月30日的5亿3770万令吉增加了6%至5亿7120万令吉。总负债增加的主要因素是总借款及贷款增加所致，2023年4月30日的总借款及贷款为3亿9740万令吉（2022年4月30日：3亿6860万令吉）。因此，2023年4月30日的净负债比率增加至41%（2022年4月30日：38%）。

截至2023年4月30日，本集团的现金及现金等价物相较于2022年4月30日的4920万令吉减少了560万令吉，主要原因如下：

- 营运资金的增加，2023财政年经营活动时使用了870万令吉的净现金；
- 投资活动净现金流出1710万令吉，其中1770万令吉用作资本支出，部分30万令吉被出售厂房和器材抵消；和
- 融资活动产生的现金净额为2020万令吉，主要是由于银行借款净提取3170万令吉，分别被首次中期股息和租赁付款的900万令吉和260万令吉所抵消。



董事经理的营运总结回顾检讨及管理层讨论与分析

分部营运表现

	FY2023 (2023财政年)		
	Tissue Paper Products (纸巾产品) RM'000	Personal Care Products (个人护理产品) RM'000	Total (总数) RM'000
Revenue (收入)	619,001	249,288	868,289
Net segmental result (各分部净收入)	(12,353)	26,871	14,518
Interest income and finance cost (利息收入及财务成本)	(10,164)	(4,180)	(14,344)
(Loss)/Profit before tax (亏损)/税前利润	(22,517)	22,691	174

	FY2022 (2022财政年)		
	Tissue Paper Products (纸巾产品) RM'000	Personal Care Products (个人护理产品) RM'000	Total (总数) RM'000
Revenue (收入)	534,836	230,063	764,899
Net segmental result (各分部净收入)	16,376	34,242	50,618
Interest income and finance cost (利息收入及财务成本)	(4,950)	(2,181)	(7,131)
Profit before tax (税前利润)	11,426	32,061	43,487

纸巾产品部

2023财政年，纸巾产品部门依然是本集团主要贡献者，占集团总收入的71%。纸巾产品部的收入从2022财政年的5亿3480万令吉增加至2023财政年的6亿1900万令吉。收入增加的主要原因是平均售价及销售提高了。纸巾产品部的税前利润为2250万令吉，比2022财政年的1140万令吉下降297.1%。尽管多种纸巾产品价格上调，却只能抵消部分生产成本飙升所带来的影响。

在2023财政年，本集团在马来西亚和越南制造工厂的纸巾生产设备的年产能为16万吨。本集团约有50%未利用产能，这有利于本集团巩固市场定位，发掘新商机，并满足国内外客户不断变化的需求。本集团将充分发挥其优势，以在纸巾行业中保持竞争力和持续成功。

对于气候变化所带来的负面影响，客户的醒觉持续加强，为此他们更重视和选购环保产品。环保产品的需求量与日俱增，本集团瞄准时机与商机，积极开拓环保纸巾的市场，为从中分一杯羹。为此，本集团与客户进行简报推广我们产品所拥有的绿色特点，并鼓励客户们考虑选购回收材料或低碳产品。本集团将继续扩大可持续再生纸制造能力将废物再生使用，以达到成为环保公司的目标。对于将环保系列产品引入市场，本集团持有乐观的态度，并相信这有助于提高销售额和减少环境碳足迹。

个人护理产品部

个人护理产品部在2023财政年取得2亿4930万令吉的收入，与2022财政年取得2亿3010万令吉相比增加了8.4%。除了湿纸巾与卫生巾产品，其他的个人护理产品都为此部门增加了收入。售价提高促成收入增长，不过部分被销售量下降抵消。然而，由于原材料价格上升，运费上涨以及外汇波动，个人护理产品部的税前利润从2022财政年的3210万令吉下降29.2%至2023财政年的2270万令吉。

随着生活水准的提高及消费者对私密卫生意识的重视，易用方便的卫生用品趋势增加了女性对卫生用品的需求。为扩大市场，本集团将投入更多资源开发更多优良品质的产品，并将加快脚步投资卫生护垫的设备，以适时提高内部的产能。

个人护理部依然在马来西亚取得令人鼓舞的表现。随着新冠疫情后，供应链逐步恢复与改善，本集团将通过区域化计划，在泰国和越南推出其他个人护理产品。

集团结构的变化

2023财政年，Nibong Tebal Paper Products Sdn. Bhd. ("NTPP") 是集团持有100%股权的休眠子公司，已申请从马来西亚公司注册委员会登记册 ("登记册") 除名。NTPP已于 2022 年 10 月从登记册中除名。

风险管理

以下的风险或将影响本集团的前景，我们也一如既往拟定计划和策略来降低这些风险。



成本型 通货膨胀

成本型通货膨胀是指可能受到全球市场，疾病暴发和汇率波动所引起的风险。由于纸浆、废纸和无纺布的价格波动，本集团除了面临显著的原材料商品价格波动风险，也会影响我们的定价策略和利润水平。成本型通货膨胀也涉及劳动力和运输的成本增加。尽管如此，本集团会持续实行、达到和维持改善成本计划，包括优化供应链，优化一般管理和劳动力。其中包括寻求替代供应商、与供应商谈判合理有利的条件，及在供应链采取精益方针以降低每个阶段的成本。

能源成本受多种复杂的因素影响，包括能源价格、监管决策、气候变化行动和地缘政治因素。这些不确定的因素，使制造业难以完全保护自己免受能源价格和供应的重大变化的影响。本集团在制造设施保持能源效率改进计划，从而实现显著的成本节省，减少环境影响，并提高整体运营效率。



市场 竞争

行业内竞争是一个明显的因素，可能会影响竞争激烈市场中的利润。这种竞争通常导致激烈的价格竞争和利润率下降，因为公司会努力通过竞争优势吸引客户。为了应对竞争带来的挑战，本集团专注于长期可持续增长、差异化和成本管理。这些策略可能包括投资研发以创新、了解客户需求 and 喜好、建立良好的客户关系及不断提高运营效率。此外，本集团将密切关注市场趋势和竞争对手的举动，以适应并积极应对不断变化的市场需求。



信用 风险

信用风险是指因客户或交易伙伴无法履行金融合约义务而引起的无法预测损失的风险。本集团依据若干账期条件向各类客户销售产品，为此面临信用风险。

本集团通常授予30天至90天的账期，信用限额则视个别客户的信用评估而定。本集团定期评估客户的财务实力，一旦发现高风险账户，将降低其信用限额。在马来西亚的部份应收款购买了贸易保险。因此，本集团相信其信用风险有限。



货币 风险

由于本集团的销售，进口原材料和贷款主要是通过外币主导和进行，为此会受到外币汇率的波动，并形成外汇风险。鉴于其以外币计价的原材料采购和产品销售相对匹配，集团实质上已具有自然对冲。然而，本集团或会在适当时订立远期合约以降低汇率波动风险。2023财政年，本集团为对冲以美元贷款，签署了一项货币利率互换协议。此外，本集团亦积极采取措施尽量减少在与本地和外国供应商的采购和采购安排中的外汇风险。

董事经理的营运总结回顾检讨及管理层讨论与分析

永续经营策略

全球经济依然不明朗。今年本集团面对供应链中断，受到原材料和其他必要供应和服务价格波动的影响，是充满严峻挑战的一年。与此同时，本集团将保持警惕，继续扩大和改善马来西亚国内与国外的分销渠道，以提高市场的竞争力和占有率。此外，本集团也将专注在以下的发展策略：

- 继续着重在产品创新，通过优化产品组合提高品牌的竞争力和利润率，以期在同业中脱颖而出；
- 继续在马来西亚，泰国和越南开发个人护理产品的业务；
- 继续善用资源以提高成本效益；
- 继续改善生产和运作效率，以支持永续发展的业务；及
- 继续以环保产品，以全新的市场定位占据再生纸级别市场。

股息

董事局不建议派发2023财政年的最后股息。2023财政年每股的总净股息达0.80仙。

前景和展望

董事局预计在截至2024年4月30日的财政年，本集团将继续面对地缘政治紧张的局势、俄乌战争以及美元不确定的波动，可能阻碍经济增长和影响消费者的信心。然而，随着原材料价格及其他投入成本逐渐稳定，本集团看到纸巾产品和个人护理产品领域的潜在机会和积极的前景。同时，较可以预期的成本结构将有助于保持产品的竞争定价。

随着新冠疫情后期国际贸易持续复苏，我们也相信可以利用生产能力来加强业务发展，尤其是出口市场。在没有任何不可预见的情况，我们预计本集团的业务将继续稳步成长。

于 Premier Investment Limited 成为持有公司 22.42% 股份的大股东后，Nishant Grover 先生已于2023年6月20日加入董事会，成为非独立非执行董事。Nishant Grover 先生是APP金光 (APP Sinarmas) 纸巾国际 (Tissues International) 首席执行官，领导亚洲浆纸 (Asia Pulp & Paper) 全球成品业务。我欢迎他加入董事会，并期待他为集团做出宝贵的贡献。

张德道博士已于2023年5月16日辞去董事会职务。多年来，他对集团做出了重要贡献。我借此机会感谢他，并祝他未来一切顺利。

我谨此代表NTHB集团董事局，感谢所有股东对集团的承诺和支持。同时，我还要感谢政府机构、客户、供应商、金融机构和商业伙伴们的支持和为集团的成功做出贡献。

最后，我要感谢董事会成员，为董事会提供深思熟虑的建议和服务，这都是非常宝贵的。我期待您们的继续支持。

李斯仁
主席兼董事经理
日期：2023年8月7日



Board of Directors' Profile

01



LEE SEE JIN

Chairman cum Managing Director
Male | Aged 84 | Malaysian

Mr. Lee See Jin was appointed to the Board of Directors of NTPM Holdings Berhad ("NTHB") on 20 October 1996 and re-designated as Chairman cum Managing Director on 29 March 2019. He is a member of the Investment Committee of the Company.

He obtained the Higher School Certificate in 1960. He is a Director of all subsidiaries of NTHB. He is a founder of the Group and has been in the paper industry for more than 40 years. Over these years, he has gained in-depth experience and knowledge of the paper industry in Malaysia.

He is the father of Mr. Lee Chong Choon, an Executive Director and a major shareholder of the Company. Other than our Company, Mr. Lee See Jin does not hold any directorship in public companies and public listed companies.

Save as disclosed above, he has no conflict of interest with the Group. He has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023. He attended all four (4) Board of Directors' Meetings held in the financial year ended 30 April 2023.

02



LEE CHONG CHOON

Executive Director and Group Chief Executive Officer
("Group CEO")
Male | Aged 58 | Malaysian

Mr. Lee Chong Choon was appointed to the Board of Directors of NTHB on 10 November 1999. He is the Chairman of Risk Management Committee and a member of the Investment Committee of the Company.

He is an Executive Director of NTHB and a Director of all the subsidiaries of NTHB. He holds a Diploma in Civil Engineering from the Singapore Polytechnic. He has extensive experience in process engineering and has provided the NTHB Group with technical manufacturing experience expertise. He was the Financial Controller of Nibong Tebal Paper Mill Sdn. Bhd. ("NTPM") from 1995 to 1997 and the Country Sales Manager of NTPM from 1997 to 1999. He has also been instrumental in spearheading the progress of the Group and the development of the Group's products.

He is the son of Mr. Lee See Jin, the Chairman cum Managing Director and a major shareholder of the Company. Other than our Company, Mr. Lee Chong Choon does not hold any directorship in public companies and public listed companies.

Save as disclosed above, he has no conflict of interest with the Group. He has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023. He attended all four (4) Board of Directors' Meetings held in the financial year ended 30 April 2023.

03



TAN CHOON THYE

Independent Non-Executive Director
Male | Aged 69 | Malaysian

Mr. Tan Choon Thye was appointed as an Independent Non-Executive Director of NTHB on 20 March 2020. He is the Chairman of Audit Committee, Nominating Committee and Investment Committee of the Company. He is also a member of Risk Management Committee of the Company.

He graduated from University of Malaya in 1979 with a Bachelor of Electrical Engineering (Honours) and then received his Master of Business Administration from University of Hawaii, United States of America in 1982.

Mr. Tan has over 20 years of investment banking and 10 years of commercial banking experience being with CIMB banking group from July 1988 to January 2006 and from August 2007 to July 2019. During the period, he has worked in Indonesia being seconded there as an Executive Director of PT CIMB Niaga Securities and in China being seconded there as a Deputy President, Bank of Yingkou, an investee bank of CIMB Bank and as the General Manager of CIMB Bank Shanghai Branch.

He has no family relationship with other Directors and/or major shareholders of the Company. Other than our Company, Mr. Tan Choon Thye is an Independent Non-Executive Director of a public company, M&A Equity Holdings Berhad.

He has no conflict of interest with the Group. He has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023. He attended all four (4) Board of Directors' Meetings held in the financial year ended 30 April 2023.

Board of Directors' Profile

04



DATO' DR. JUITA BINTI GHAZALIE

Independent Non-Executive Director
Female | Aged 67 | Malaysian

Dato' Dr. Juita Binti Ghazalie was appointed as an Independent Non-Executive Director of NTHB on 23 September 2022. She was appointed as a member of the Company's Audit Committee, Investment Committee and Risk Management Committee on 23 September 2022 and Nominating Committee on 20 June 2023.

Dato' Dr. Juita graduated from Universiti Kebangsaan Malaysia with a Degree in Public Health and Medicine & Surgery in 1981 and then received her Master from Ain Shams University at Cairo in Egypt in 1995.

Dato' Dr. Juita had worked with the Ministry of Health, Malaysia for 35 years with focus on public health. She had been appointed as Director of Hospital Pulau Pinang, Hospital Sultanah Bahiyah Alor Setar and Perak State Health Department during her tenure with the Ministry of Health, Malaysia. Her wealth of experience in public health will provide valuable insights on the Group's business strategies and direction.

She has no family relationship with other Directors and/or major shareholders of the Company. Other than our Company, Dato' Dr. Juita does not hold any directorship in public companies and public listed companies.

She has no conflict of interest with the Group. She has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023. She attended two (2) Board of Directors' Meetings held during her tenure in office in the financial year ended 30 April 2023.

06



NISHANT GROVER

Non-Independent Non-Executive Director
Male | Aged 42 | Indian

Mr. Nishant Grover ("Mr. Grover") was appointed as a Non-Independent Non-Executive Director of NTHB on 20 June 2023.

Mr. Grover graduated with L.L.B from University of Pune and thereafter obtained Masters in Business Administration from University of Oxford, UK. Mr. Grover has also completed Director Certification Program from the Institute of Directors of Thailand.

Mr. Grover specialises in value creation, having worked with private equity owned businesses for majority of his professional career. In 2010, while based in Jakarta, he was appointed as the President Director of PT Grohe Indonesia, world's leading manufacturer of sanitaryware. In 2012, he took over the dual role of Regional Vice President – Indonesia, ANZ Korea and Vice President of International Key Accounts, eventually relocating to Singapore. When Grohe was acquired by Lixil Corporation of Japan, Mr. Grover was appointed as Chief Operating Officer – Asia Pacific of Lixil Water Technology (Grohe, American Standard and Inax).

In 2016, Mr. Grover relocated to Thailand as the Chief Operating Officer of TCC Land/Asset World Corporation. He was instrumental in IPO of Asset World Corporation, one of Thailand's

05



CHANG HUI YUIN

Independent Non-Executive Director
Female | Aged 40 | Malaysian

Ms. Chang Hui Yuin was appointed as an Independent Non-Executive Director of NTHB on 23 September 2022. She was appointed as a member of the Company's Audit Committee, Risk Management Committee and Nominating Committee on 23 September 2022. She was also appointed as a member of Investment Committee on 20 June 2023.

Ms. Chang graduated with a Bachelor of Commerce Degree with First Class Honours from the University of Queensland in Australia in 2004. In 2020, she obtained a Bachelor of Laws degree with First Class Honours from the University of Northumbria at Newcastle in the United Kingdom.

She is currently the Executive Director at RTC Consulting Sdn Bhd. She is an associate of Chartered Accountants Australia and New Zealand and a member of the Malaysian Institute of Accountants. She has over a decade of audit and assurance experience with Ernst & Young in Australia and Singapore and subsequently with Chang Kong Foo & Co. PLT.

She taught accounting subjects in the University of Queensland in Australia between 2005 and 2006. In 2013, she started pursuing a career in tax consulting with RTC Consulting Sdn Bhd, a tax firm specialising in tax advisory services for property developers and construction companies. In 2018, she incorporated her own audit practice, Zubir Chang & Co. PLT after she obtained her audit license in the same year.

She has no family relationship with other Directors and/or major shareholders of the Company. Other than our Company, Ms. Chang does not hold any directorship in public companies and public listed companies.

She has no conflict of interest with the Group. She has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023. She attended two (2) Board of Directors' Meetings held during her tenure in office in the financial year ended 30 April 2023.

largest real estate listings. In 2019, Mr. Grover joined Upfield, world's largest plant-based food company, a business acquired by KKR from Unilever, as Managing Director for South East Asia, Far East Asia and Pacific. Mr. Grover had also promoted his own entrepreneurial venture, Oxford Acuity, which is active primarily in the hospitality industry. In late 2022, Mr. Grover joined Asia Pulp & Paper as CEO – Tissues International, globally leading finished goods business for APP.

Mr. Grover has no family relationship with the Directors. He is the Nominee Director of a major shareholder of the Company, Premier Investment Ltd. Other than our Company, Mr. Grover does not hold any directorship in public companies and public listed companies.

Save as disclosed above, he has no conflict of interest with the Group. He has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023.

He did not attend any Board of Directors' Meeting of the Company held during the financial year ended 30 April 2023 as his appointment to the Board was made subsequent to the said financial year end.

Key Senior Management Team

LEE CHONG CHAT

Lee Chong Chat, aged 60, male, a Malaysian citizen, was appointed as the Chief Operating Officer (Engineering) of NTHB on 1 July 2004. He is the Director of Nibong Tebal Paper Mill Sdn. Bhd. ("NTPM").

He obtained a Bachelor of Science Degree from Purdue University, United States ("US") in 1986. After obtaining his Master of Science in Civil and Environmental Engineering from Utah State University, US in 1988, he joined CTL Environmental Services, US as a Project Engineer and then joined Ajit Randhava & Associates, US in 1990 as an Engineer. From 1992 to 1994, he worked as an Engineer in MMBP International Limited, Hong Kong. In 1994, he joined Bandar Bukit Kemuning Sdn. Bhd. as its Chief Engineer. Later in 1996, he joined Bridgecon Engineering Sdn. Bhd. as its Project Manager, before joining NTPM in 2000 as Senior Project Manager. He was promoted to Assistant General Manager of NTHB in 2000 before he assumes his current position. He is in charge of the Group's project engineering and initial capital start-up projects.

He has been a member of the Board of Engineer, Malaysia since 1992. In 1995, he became a graduate member of the Institute Engineer of Malaysia and in 1996, he joined the Malaysian Institute of Management as an associate member.

He is the son of Mr. Lee See Jin, the Chairman cum Managing Director and a major shareholder of the Company. Save as disclosed above, he has no conflict of interest with the Group. He does not hold any directorship in public companies and public listed companies. He has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023.

LEE CHONG LOO

Lee Chong Loo, aged 58, male, a Malaysian citizen, was appointed as the Chief Operating Officer (Operation) of NTHB on 1 March 2011. He is the Director of Nibong Tebal Enterprise Sendirian Berhad ("NTE").

He holds an Advance Diploma (ABE) from Kolej Damansara Utama. He joined NTPM in 1983 as the Transport and Store Manager. In 1993, he joined Kuang Tat Food Sdn. Bhd. as the Production and General Manager. Following that, he returned to NTPM in 2001 as the Procurement Manager. He was the Assistant General Manager (Procurement) from 2004 to 2011 before he assumes his current position. He leads the sales operation in Thailand and is jointly in charge of the Group's procurement.

He is the son of Mr. Lee See Jin, the Chairman cum Managing Director and a major shareholder of the Company. Save as disclosed above, he has no conflict of interest with the Group. He does not hold any directorship in public companies and public listed companies. He has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023.

LEE HOOI FUNG

Lee Hooi Fung, aged 57, female, a Malaysian citizen, was appointed as the Chief Operating Officer (Procurement) of NTHB on 1 March 2011. She is a Director of NTPM (Singapore) Pte. Ltd. ("NSPL").

She completed her Fifth Form education in 1984. She joined NTPM in 1999 as the Purchasing Manager. She was the Assistant General Manager (Procurement) from 2004 to 2011 before she assumes her current position. Prior to joining NTPM, she was a partner in a private company involved in transportation. She is jointly in charge of the Group's procurement and led the Group's logistics services.

She is the daughter of Mr. Lee See Jin, the Chairman cum Managing Director and a major shareholder of the Company. Save as disclosed above, she has no conflict of interest with the Group. She does not hold any directorships in public companies and public listed companies. She has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023.

TAN CHEE SENG

Tan Chee Seng, aged 58, male, a Malaysian citizen, was appointed as the Executive Director – Manufacturing of NTPM on 1 October 2009.

He holds a Bachelor Degree in Applied Science (Honours) from University Science Malaysia. He worked at Prime Pharmaceutical Sdn. Bhd., a local pharmaceutical factory for three (3) years before joining NTPM in April 1993 as a Production Engineer. He held numerous positions in NTPM including Engineering Section Manager, Senior Engineering Section Manager, Manufacturing Assistant General Manager and Manufacturing General Manager before he assumes his current role. He is in charge of NTPM's tissue business manufacturing processes.

He has no family relationship with other Directors and/or major shareholders of the Company. He has no any conflict of interest with the Group. He does not hold any directorship in public companies and public listed companies. He has no conviction for any offences within the past five (5) years other than traffic offences (if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 April 2023.

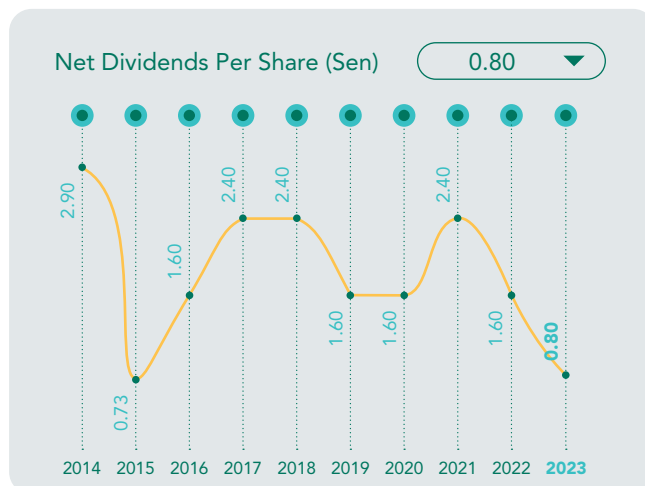
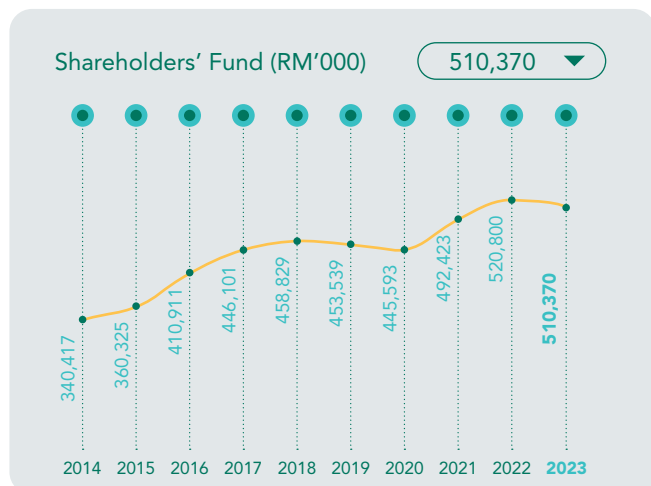
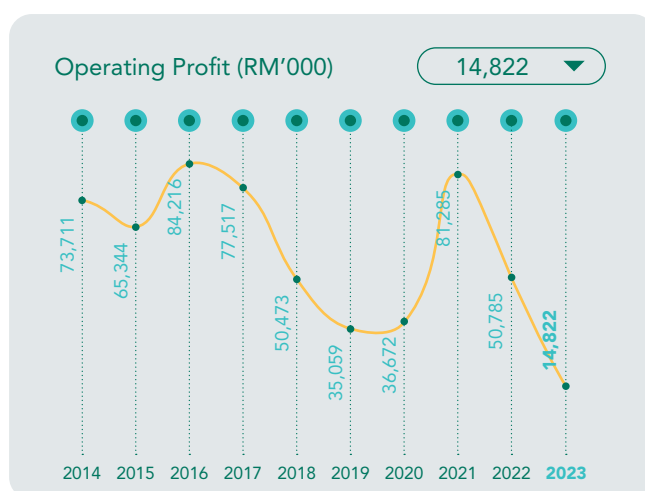
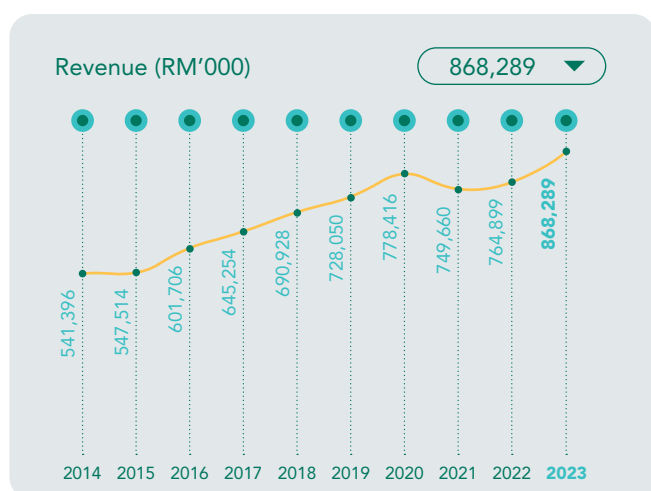
Group Financial Highlights

TEN-YEAR FINANCIAL SUMMARY

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue *	541,396	547,514	601,706	645,254	690,928	728,050	778,416	749,660	764,899	868,289
Operating Profit	73,711	65,344	84,216	77,517	50,473	35,059	36,672	81,285	50,785	14,822
Profit Before Tax ("PBT")	69,880	59,318	78,189	72,378	44,359	23,546	22,395	71,951	43,488	174
Net Profit/(Loss) Attributable to Shareholders of the Company	53,891	42,642	57,667	49,868	29,710	8,962	6,296	63,268	28,513	(5,881)
Shareholders' Fund/Net Assets	340,417	360,325	410,911	446,101	458,829	453,539	445,593	492,423	520,800	510,370
Weighted Average No. of Ordinary Shares in Issue ('000)	1,117,927	1,123,173	1,123,153	1,123,133	1,123,156	1,123,070	1,123,040	1,123,040	1,123,040	1,123,040
Net Assets Per Shares (RM) @	0.30	0.32	0.37	0.40	0.41	0.40	0.40	0.44	0.46	0.45
Net Dividends	32,572	8,143	17,970	26,955	26,955	17,969	17,969	26,953	17,969	8,984
Net Dividends Per Share (Sen) @	2.90	0.73	1.60	2.40	2.40	1.60	1.60	2.40	1.60	0.80
Earnings Per Share (Sen) @	4.82	3.80	5.13	4.44	2.65	0.80	0.56	5.63	2.54	(0.52)
Dividends Payout Ratio (%)	60.44	19.10	31.16	54.05	90.73	200.50	285.41	42.60	63.02	(152.76)

* Comparatives amount in the previous years have been restated to conform with current year's presentation

@ Computed based on enlarged number of ordinary shares in issue after bonus issue exercise which was completed on 7 April 2009



Group Structure and Activities



NTPM HOLDINGS BERHAD
 Registration No. 199601012313 (384662-U)
启顺控股有限公司
 (Incorporated in Malaysia)

Investment holding and provision of information technology support and management services.



01

Manufacturing

NTPM | NIBONG TEBAL PAPER MILL SDN. BHD. Registration No. 197501001037 (22772-A)
 Manufacturing of and trading in tissue paper products such as toilet rolls, tissues, serviettes and provision of freight forwarding, transportation and logistics services.

NTPC | NIBONG TEBAL PERSONAL CARE SDN. BHD. Registration No. 199101017923 (228234-U)
 Manufacturing of and trading in personal care products such as sanitary products, baby diapers, facial cotton, wet tissues and adult diapers.

NTT | NIBONG TEBAL TECHNOLOGY SDN. BHD. Registration No. 199001010573 (20143-M)
 Undertaking of research and development activities on the production technology, biotechnology and recycling of waste materials related to paper industry.

02

Overseas Manufacturing

NTPV | NTPM (VIETNAM) CO., LTD. (02743801150) @
 Manufacturing and processing of tissue paper and products related to tissue paper and manufacturing of semi-finished jumbo paper rolls.

NTE | NIBONG TEBAL ENTERPRISE SENDIRIAN BERHAD Registration No. 198201015306 (95077-H)
 Trading in tissues, paper products and personal care products, provision of freight forwarding, transportation and logistics services.

03

Trading and Services

NTL | NIBONG TEBAL LOGISTICS SDN. BHD. Registration No. 199601006133 (378479-H)
 Provision of integrated logistics services.

NTIT | NIBONG TEBAL IT SDN. BHD. Registration No. 199901025177 (500077-H)
 Provision of information technology support and services.

04

Overseas Trading

NSPL | NTPM (SINGAPORE) PTE. LTD. (198600763K)
 Importers, exporters and dealers in all kinds of paper products, tissue papers, toilet rolls, paper towels and general merchandise.

NTCL | NTPM (THAILAND) CO., LTD. (0105547118230)
 Wholesales of pulp paper and sanitary products.

05

Overseas Investment

NIPL | NTPM (INTERNATIONAL) PTE. LTD. (201220170K) *
 Investment holding.

* wholly owned by NTPM (Singapore) Pte. Ltd.
 @ wholly owned by NTPM (International) Pte. Ltd.



OUR BRANDS:

PREMIER® *Cutie*® ROYAL GOLD® CONVO®



DIAPEX
The Baby's Choice



WE DELIVER SUSTAINABLE
HYGIENE PRACTICES



Sustainability Statement

NTPM Holdings Berhad (“NTHB”) and its subsidiaries (“the Group”) recognise sustainability as one of the drivers of the Group’s continuing and long-term business activities. In achieving our business sustainability, we remain committed to constantly improving our efficiency and effectiveness to minimise our impact on the environment and to conduct our business in a fair and responsible manner. We will continue to manage our business with a long-term view for the benefit of our shareholders, stakeholders, environment, market place and workplace.

VISION	MISSION
To be a world-class paper products manufacturer and market leader in fast-moving consumer goods (“FMCG”) by providing quality products which consistently satisfy the needs and expectations of customers.	<ul style="list-style-type: none">• We aspire to be a world-class manufacturer and distributor for a diversified range of consumer products.• We are confident of providing consumers with good quality and good value products based on our current market reputation, wide customer base and extensive distribution networks.• Our sales and marketing teams are passionate in developing leading brands with a significant market share in each of the product segments undertaken.• We will continuously enhance the knowledge and skills of our people, improve the processes and management systems and elevate the working environment towards a higher standard.• We want to be a good employer and neighbour.

CORE VALUE	
Believing in God	We uphold the principle and good teachings of God in our business actions and decisions. We embrace the human values of Truth, Right Conduct, Peace, Compassion and Love.
Leadership	We are inspired by our corporate vision and work as a team. We manage with hands-on involvement, emphasis on continuous improvement and in-depth understanding of our Group’s operations.
Integrity	We believe that a leader must be honest, sincere, fair and just. We consistently communicate the true message from the heart.
Passion	We are enthusiastic and knowledgeable in our business pursuits and we will always strive for the best.
Trust	We mutually believe in each other giving their level best.
Customer Focus	We appreciate and are grateful towards our customers. We will be proactive and responsive to customers’ feedbacks and comments and refer to them as part of our continuous improvement.
Caring	We care about our employees’ welfare, our society and our environment.
Ownership	We recognise each individual in the organisation as our stakeholder, and we believe emphasis of ownership leads everyone to value and treasure the Group’s assets like their own.

SCOPE AND BOUNDARY

This Sustainability Statement for FY2023 is prepared in accordance with the Bursa Malaysia Sustainability Reporting Guides and Amendments issued by Bursa Malaysia Securities Berhad under the Main Market Listing Requirements. This Sustainability Statement covers sustainability activities of NTHB and its subsidiaries (“the Group”), unless otherwise stated.

SUSTAINABILITY APPROACH

This Sustainability Statement describes the Group’s commitment towards improving its sustainability practices while also considering the concerns of stakeholders. By focusing on sustainability, the Group focuses and highlights more on economic, environmental and social (“EES”) risks to strengthen the local economy, safeguard natural resources and strengthen its bond with the community.

Sustainability Statement

GOVERNANCE STRUCTURE

The Group’s sustainability Governance is as presented below:



The Sustainability Working Group is a team comprising the Occupational Safety and Health Management Committee, Environmental Choice New Zealand (“ECNZ”) Committee, together with the senior management and relevant heads of business and supporting units, who undertake the integration of sustainability practices and objectives at the operational level, including tracking and measuring progress. The Sustainability Working Group Committee is headed by the Group Chief Executive Officer.

STAKEHOLDER ENGAGEMENT

Stakeholders are individuals, groups and entities affected by the operations of the Group. Fair treatment and strong relationships with the core stakeholders are key to the Group’s long-term profit and business success. Hence, the Group conducts periodic engagement with both external and internal stakeholders to help us better understand their perspectives and concerns on key issues and to integrate those perspectives and concerns into the Group’s sustainability strategy.







Our key stakeholders are as set out below:

- Employees
- Communities
- Customers
- Shareholders
- Suppliers
- Government and Regulators

Sustainability Statement

STAKEHOLDER ENGAGEMENT (Cont'd)

Our stakeholder engagement table presented below outlines our stakeholders' engagement methods, the frequency of each engagement method and stakeholder's concerns.

Stakeholder	Engagement Method	Frequency of Engagement	Stakeholder's Concerns
Customers 	<ul style="list-style-type: none"> • Customer surveys • Product sampling • Sales and marketing support • Social media 	<ul style="list-style-type: none"> • Continuously • Continuously • Continuously • Continuously 	<ul style="list-style-type: none"> • Product quality • Pricing • Services • Promotion
Communities 	<ul style="list-style-type: none"> • Community activities • Sponsorship 	<ul style="list-style-type: none"> • Annually • As and when required 	<ul style="list-style-type: none"> • Community involvement and contributions • Health and safety • Environment responsibility
Employees 	<ul style="list-style-type: none"> • Annual performance reviews • Training programmes • Circulation of internal policies 	<ul style="list-style-type: none"> • Annually • As and when required • As and when required 	<ul style="list-style-type: none"> • Employee management (equal opportunity) • Training and education • Workplace safety and health
Regulators 	<ul style="list-style-type: none"> • Formal dialogues and seminars • Inspection by local authorities 	<ul style="list-style-type: none"> • As and when required • As and when required 	<ul style="list-style-type: none"> • Regulatory compliance • Occupational Safety and Health
Suppliers 	<ul style="list-style-type: none"> • Quotation requests and sampling tests • Meetings and dialogues 	<ul style="list-style-type: none"> • As and when required • As and when required 	<ul style="list-style-type: none"> • Supply Chain • Payment terms
Shareholders 	<ul style="list-style-type: none"> • Interim result announcements • Annual General Meetings • Annual Reports • Risk management • Regulatory compliance 	<ul style="list-style-type: none"> • Quarterly • Annually • Annually • Continuously • Continuously 	<ul style="list-style-type: none"> • Business and financial performance • Corporate governance

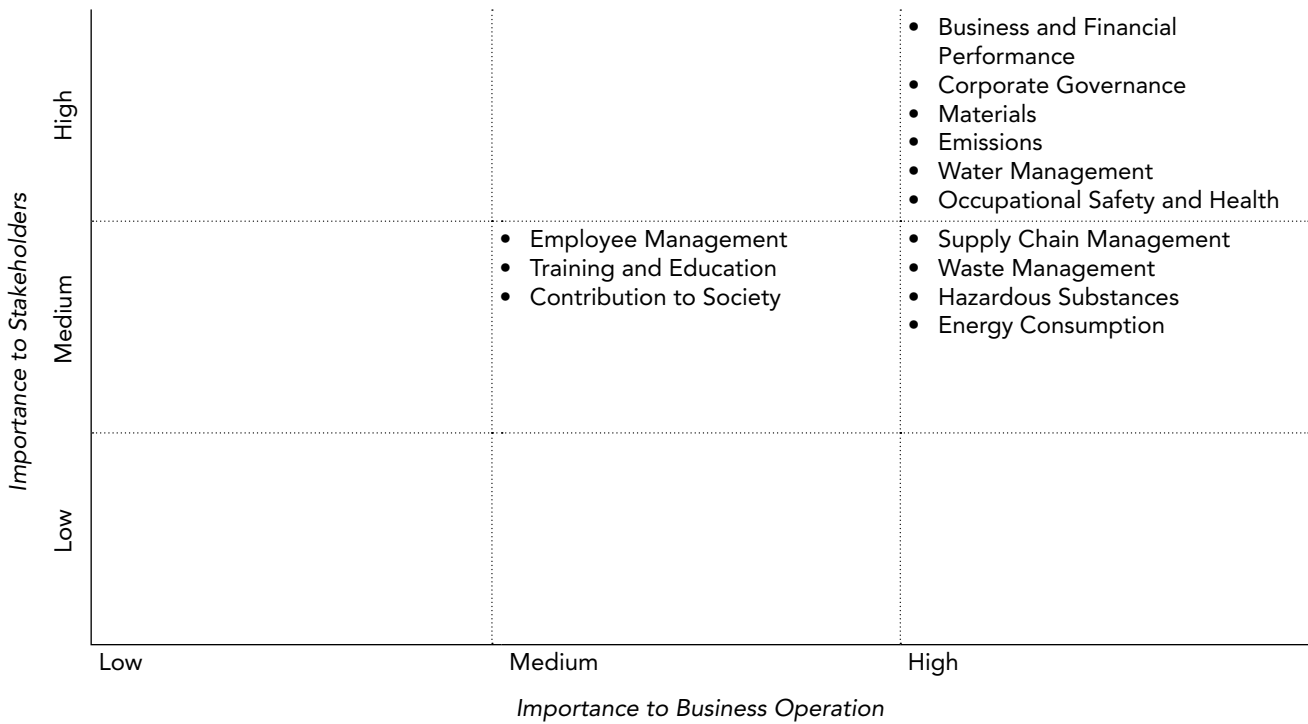
Sustainability Statement

MATERIALITY ASSESSMENT PROCESS

As part of the Group’s efforts to develop its sustainability framework, the Group has conducted a materiality assessment to identify material sustainability matters and ranked the material matters based on its importance to its business and its stakeholders.

Materiality Matrix

Through the materiality assessment conducted, the Group has prioritised thirteen (13) key material issues. The resulting materiality matrix is set out below.



In line with United Nations’ 2030 Agenda and 17 United Nations Sustainability Development Goals (“SDGs”), the Group has adopted these goals as part of our sustainability journey. We have identified six (6) United Nations SDGs which have direct impact on the Group in terms of risk and opportunity over the long term.



SDG 3 Good Health and Well-Being

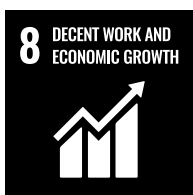
We are committed to providing and maintaining our workplace in a safe condition for the good health and well-being for our employees.



SDG 6 Clean Water and Sanitation

We are committed to building a water positive future that can sustain people and nature, now and for generations to come.

MATERIALITY ASSESSMENT PROCESS (Cont'd)



SDG 8 Decent Work and Economic Growth

We have always placed great importance in creating employment opportunities that value and respect human rights. We believe that decent work environment is the backbone of positive business performances across our value chain.



SDG 12 Responsible Consumption and Production

We continue to promote a more effective way of waste management and natural resources in line with our commitments towards the development of a circular economy.



SDG 13 Climate Action

We are committed towards a low-carbon economy by embracing and supporting renewable energy generation and energy efficiency to reduce emissions and zero waste to landfill.



SDG 15 Life on Land

We provide assurance that the virgin wood fibre used in our paper production is sourced from sustainably managed forests.

The higher priority material matters are categorised according to the following aspects of stakeholders’ interests which continue to map our relevant direct or indirect contribution to the United Nations SDGs.

Aspect	Material Matters	Relevant Stakeholder(s)	Contribution to United Nations SDGs
Economic	• Business and Financial Performance	Shareholders, Customers and Regulatory Authorities	Direct SDGs: SDG 8 - Decent Work and Economic Growth
	• Corporate Governance	Shareholders	Indirect SDGs: SDG 16 - Peace, Justice and Strong Institutions
	• Supply Chain Management	Suppliers	Direct SDGs: SDG 8 - Decent Work and Economic Growth Indirect SDGs: SDG 16 - Peace, Justice and Strong Institutions
Environmental	• Materials	Shareholders, Customers, Suppliers, Regulatory Authorities and Communities	Direct SDGs: SDG 12 - Responsible Consumption and Production SDG 13 - Climate Action SDG 15 - Life on Land
	• Energy Consumption	Regulatory Authorities and Communities	Direct SDGs: SDG 13 - Climate Action Indirect SDGs: SDG 7 - Affordable and Clean Energy
	• Emissions	Regulatory Authorities and Communities	Direct SDGs: SDG 12 - Responsible Consumption and Production SDG 13 - Climate Action

Sustainability Statement

MATERIALITY ASSESSMENT PROCESS (Cont'd)

Aspect	Material Matters	Relevant Stakeholder(s)	Contribution to United Nations SDGs	
Environmental	• Waste Management	Regulatory Authorities and Communities	Direct SDGs:	SDG 12 - Responsible Consumption and Production SDG 13 - Climate Action
	• Water Management	Regulatory Authorities and Communities	Direct SDGs:	SDG 6 - Clean Water and Sanitation SDG 12 - Responsible Consumption and Production
	• Hazardous Substances	Regulatory Authorities and Communities	Direct SDGs:	SDG 13 - Climate Action
Social	• Employee Management	Employees	Direct SDGs:	SDG 8 - Decent Work and Economic Growth
			Indirect SDGs:	SDG 5 - Gender Equality SDG 10 - Reduced Inequality
	• Training and Education	Employees	Direct SDGs:	SDG 8 - Decent Work and Economic Growth
			Indirect SDGs:	SDG 4 - Quality Education
	• Occupational Safety and Health	Employees, Suppliers and Regulatory Authorities	Direct SDGs:	SDG 3 - Good Health and Well-being
	• Contribution to Society	Communities	Indirect SDGs:	SDG 17 - Partnerships for the Goals

ECONOMIC

Business and Financial Performance

For the financial year ended 30 April 2023 ("FY2023"), the Group recorded a direct economic value of RM868.3 million and distributed a total economic value of RM899.8 million in the areas of operating cost, employees' salaries and benefits, interests, taxes and dividend as set out in the table below:

	FY2023 (RM'000)	FY2022 (RM'000)
Direct Economic Value Generated:		
Revenue	868,289	764,899
Economic Value Distributed:		
Operating costs	693,645	570,751
Salaries and benefits	167,177	157,023
Payments to lenders	14,648	7,297
Payments to government	15,354	21,655
Payments to shareholders	8,984	17,969
	899,808	774,695

Sustainability Statement

SUPPLY CHAIN MANAGEMENT

Sustainable supply chain management is a cornerstone of our sustainability strategy. It enables to minimising environmental impacts, upholds human rights and contributes positively to the communities. The Group is dedicated to supply chain transparency and traceability. We work closely with suppliers not only in external markets but also in local markets to identify and understand the environmental and social implications of our products and services.

CORPORATE GOVERNANCE

The Group recognises that good corporate governance is fundamental to long term business sustainability and the Group is unreservedly committed to applying the practices necessary to ensure corporate transparency, accountability, performance and integrity which are crucial for stakeholder's trust and confidence. The Group will continue to observe high standards of corporate governance which are stated in the Corporate Governances Overview Statement in this Annual Report. To establish a culture of integrity and high ethical standards in our Group throughout our value chain, the Group has formalised the policies as below.

Director Diversity

The Group recognises the significance of director diversity in our sustainability efforts. The Group is committed to building a board that embraces diverse perspectives, backgrounds, and experiences, as we firmly believe it is essential for driving innovation and fostering a culture of inclusivity.

The Nominating Committee regularly reviews the composition of the Board and Board Committees. The Board comprises a mixture of qualified and experienced directors. The skillsets and diversity in the age and gender of the existing Board members with diverse are disclosed in Corporate Governances Overview Statement. The Board believes that the current composition of the Board ensures an appropriate level of skills, breadth and diversity in the members' approach to their duties, thereby helping to ensure that decisions are well considered and that both short-term and long-term perspectives are taken into account.

Code of Conduct and Ethics

The Group is committed to achieving sustainable performance and delivering value to our customers and shareholders without compromising our ethical standards, behavioral expectation and trusted reputation. As such the Group has adopted the Code of Conduct and Ethics which applies to all Directors, management and employees of the Group. Employee shall mean all individuals on full-time or part-time employment with the Group, with permanent, probationary, trainee, retainer, temporary or contractual appointment. The Code is subject to review and modification by the Board from time to time in line with changes in law. The Code of Conduct and Ethics can be viewed here: [https://www.ntpm.com.my/download/Corp_Gov/V1_NTHB_Code%20of%20Conduct%20&%20Ethics%202018%20\(final\).pdf](https://www.ntpm.com.my/download/Corp_Gov/V1_NTHB_Code%20of%20Conduct%20&%20Ethics%202018%20(final).pdf)

Anti-Bribery and Corruption Policy

The Group has established the Anti-Bribery and Corruption Policy ("ABC Policy") to elucidate its expectations for internal and external parties working for and on behalf of the Group in upholding the Board zero-tolerance stance against bribery or corruption. The ABC policy is aligned with the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The ABC Policy, which will be revised in tandem with changes to regulatory requirements locally and abroad as well as improvement opportunities recommended by assurance providers, is approved by the Board.

This Policy is generally applicable to Directors and employees of the Group and business associates and persons associated with the Group, including but not limited to its suppliers, consultants, contractors, agents, advisors, and any person who or institution which performs services for or on behalf of the Group. Anti-corruption awareness is instilled in all employees at their induction training and they must sign an acknowledgement upon joining the Group. The policy is published and available on the Group website and can be viewed here: https://www.ntpm.com.my/download/Corp_Gov/Anti-Bribery%20And%20Corruption%20Policy.pdf.

There were no reports of any bribery or corruption in FY2023. Hence, there were no instances of employees being penalised or terminated for non-compliance with the anti-corruption policy for FY2023.

Sustainability Statement

CORPORATE GOVERNANCE (Cont'd)

Whistleblowing Policy

The Group has implemented a comprehensive whistleblowing policy that provides a safe and confidential channel for reporting concerns. Our employees and stakeholders can anonymously report potential breaches of sustainability commitments and ethical conduct through postal addressed mail. The policy can be viewed here: https://www.ntpm.com.my/download/Corp_Gov/Whistle-Blowing%20Policy%20And%20Procedures.pdf

The Group is committed to safeguarding the identity of whistleblowers. We maintain strict confidentiality throughout the investigation process, and in cases where anonymity is requested, we take every measure to protect the individual's identity. This approach encourages open communication without fear of reprisals and allows us to address issues swiftly and effectively.

Conflict Management Policy

Responsible conflict management is integral to safeguarding our sustainability goals. It ensures that potential conflicts arising from our operations or supply chain do not undermine environmental conservation, human rights, or social equity. By addressing conflicts responsibly, the Group can strengthen trust with our stakeholders and enhance our ability to create a positive and lasting impact on the world.

The Group views each conflict as an opportunity for learning and improvement. Lessons learned from past conflicts are carefully analyzed and integrated into our conflict management policy and practices. This continuous improvement approach allows us to strengthen our conflict resolution mechanisms and become more effective at preventing and managing conflicts in the future. The policy can be viewed here: [https://www.ntpm.com.my/download/Corp_Gov/V1_Conflict%20Management%20Policy%202018%20\(final\).pdf](https://www.ntpm.com.my/download/Corp_Gov/V1_Conflict%20Management%20Policy%202018%20(final).pdf).

Succession Planning Policy

Succession planning is an integral component of our sustainability strategy. It allows us to identify and develop the next generation of leaders who can drive our mission forward while embracing our values. By proactively preparing for leadership transitions, we mitigate potential disruptions, ensure knowledge retention, and create a dynamic organisation poised to address future challenges.

Our leadership development and training programmes are thoughtfully crafted to equip identified successors with the skills and knowledge needed for future leadership roles. These programmes focus on sustainability principles, ethical leadership, stakeholder engagement and adaptive decision-making. By investing in the growth of our future leaders, we ensure a seamless transition and a sustained focus on our sustainability mission.

Data Privacy and Security

Data privacy and security are fundamental pillars of sustainability strategy. By implementing robust data protection measures, the Group safeguards stakeholders' privacy and prevents potential data breaches that could harm individuals and erode trust in organisation. Responsible data management also reinforces the Group's commitment to ethical conduct and compliance with data protection laws and regulations.








To maintain data security, the Group implements state-of-the-art measures such as data encryption, multi-factor authentication and access controls. Regular data backups are performed to ensure data integrity and availability. The employees undergo comprehensive training on data security best practices to create a culture of vigilance and responsibility. The policy is published and available on the Group website and can be view here: https://www.ntpm.com.my/download/Corp_Gov/NTHB%20Personal%20Data%20Privacy%20Policy%20Eng%20v1.pdf

In FY2023, there was no breach or incidents reported.

Sustainability Statement

ENVIRONMENTAL

The Group has adopted “The Environmental Choice New Zealand Ecolabelling” Programme’s principles and criterion as the backbone for the Group’s sustainability initiatives. The Group has formulated our five-year sustainability initiatives and goals, which mainly focus on input of fiber from sustainable sources, reduction of greenhouse gas emissions associated with energy use, and managing production water usage.

Material Matters	Five-year Targets	Progress in FY2023	United Nations SDGs	
Materials	100% of procured wood pulp to be certified by recognised forest management standards	In FY2023, 100% certified by recognised forest management standards		
	100% of procured recycled fiber are derived from recycled sources with a minimum 50% from post-consumer sources	In FY2023, average 99.20% from recycled sources with a minimum 50% from post-consumer sources.		
Emissions	Not exceed 1000 kg of CO _{2e} per ton of paper, according to ECNZ standard	In FY2023, average 887 kg of CO _{2e} per ton of paper		
Water Management	Malaysia operation: To reduce water usage to 50M ³ per ton of tissue paper	In FY2023, average 58M ³ per ton of tissue paper		
	Vietnam operation: To reduce water usage to 20M ³ per ton of tissue paper	In FY2023, average 18.01M ³ per ton of tissue paper		

A cross-functional sustainability working group called ECNZ Committee has been established as part of the Group’s commitment to sustainable development. The working group comprises members from quality system department, production department, procurement department, water treatment department, maintenance and engineering department. The working group’s main responsibilities are to set up a sustainability management system, support the implementation of activities on sustainability and compile information related to sustainability performance. The working group consistently holds quarterly meeting to review the information.

Materials

The sourcing of fiber input material for paper manufacturing can have significant environmental impacts. Applying sustainable management principles helps safeguarding forests and others area used to obtain fiber raw materials. We had set our procurement strategy that all wood pulp procured by the Group is certified by recognised forest management standards, such as Forest Stewardship Council (“FSC”) and Programme for the Endorsement of Forest Certification (“PEFC”) (or equivalent certification). On top of this, while we continue to promote the use of recycled fiber our procurement strategy for sourcing / purchasing of recycled fiber also stated that the fiber material is 100% derived from recycled sources with a minimum 50% from post-consumer sources. In FY2022, 100% of wood pulp procured by the Group is certified by recognised forest management standards. In FY2023, we continue to achieved 100% of wood pulp procured by the Group is certified by recognised forest management standards.

Sustainability Statement

ENVIRONMENTAL (Cont'd)

Materials (Cont'd)

For recycled fiber, in FY2022, 98.65% was derived from recycled sources with a minimum 50% from post-consumer sources. In FY2023, the percentage increased to 99.20%.

Emissions

Climate change is affecting both humans and nature. Extreme weather events occur frequently and are often accompanied by various natural disasters. This will affect the day-to-day operations of enterprises, as well as the health and safety of their employees. Effective emission reduction and adaptation measures can help reduce the impact of climate change. In this aspect, the Group had developed energy management policies, procedure and programmes to control and reduce greenhouse gas emission.

Energy Consumption

Managing energy efficiency represents one of the biggest opportunities for us to reduce our environmental impact and lower our operating costs. The main source of energy consumption of our manufacturing plant is electricity.

We have taken the initiative to explore the use of renewable energy such as solar energy. Currently, the installed 4.5-Megawatt Grid Connected Photovoltaic (GCPV) is for our own consumption and is contributing positively to the reduction in our environmental impact and our operating costs.

As the leading tissue supplier in Malaysia, the Group is putting in tremendous continuous efforts to reduce its energy consumption and to increase the energy efficiency of its tissue machines. We believe that there are opportunities throughout the business to be more energy efficient. The Group's Environment Management System ("EMS") launched in 2007 has continued to serve us well in this aspect.

In FY2023, the Group has continued to achieve energy savings. We have managed to reduce our electricity consumption. Our on-going energy reduction projects include installation of variable frequency drives for motor, retrofitting / replacement of inefficient equipment, upgrading of energy efficient lighting, boiler control improvements, installing solar panel, steam trap monitoring and repair. In taking a further step towards sustainable energy practices and contributing to a greener future, the Group has plan to install rooftop solar panels in personal care product factory with an installed capacity of 1,725.47kWP in FY2024.

Energy consumption	FY2023	FY2022
Electricity (KWH)	93,987,583	98,366,821
Natural Gas (mmBTU)	371,149	327,390
<u>Malaysia Operations</u>		
Electricity, KWH/ton of production	1,359	1,393
Natural Gas, mmBTU/ton of production	6.9	6.1
Waste wood, mmBTU/ton of production	3.8	4.7
<u>Vietnam Operations</u>		
Electricity, KWH/ton of production	1,207	1,234
Rice Husk mmBTU/ton of production	10.9	10.9

We continue to drive employee awareness and encourage behaviors that reduce electricity and steam demand.

Sustainability Statement

ENVIRONMENTAL (Cont'd)

Emissions (Cont'd)

Greenhouse Gas ("GHG") Emissions

Arising from our production processes, our paper products are one of the contributors to carbon emissions. We have put in tremendous efforts to minimise our carbon emission in our production processes. Our target for the emission of CO_{2e} from non-renewable sources, including purchased electricity and fossil fuel used for manufacturing process is not to exceed 1000 kg CO_{2e} per tonne paper produced. In FY2023, the Group recorded an average 887 kg CO_{2e} per tonne of tissue paper production.

The operational GHG emissions for the Malaysia operation (Vietnam operation is not reported) are provided in terms of total emissions as well as breakdown by product segments.

	Tissue Paper Products		Personal Care Products	
	FY2023	FY2022	FY2023	FY2022
Scope 1 (kgCO _{2e})	21,614,353	19,170,567	No applicable	
Scope 2 (kgCO _{2e})	26,641,073	27,938,663	4,736,251	4,682,312
Total	48,255,426	47,109,230	4,736,251	4,682,312

Note:

Scope 1: Emission source is solid biomass fuel and natural gas consumption.

Scope 2: Emission source is purchased electricity from national grid.

Apart from our energy conservation projects, the EMS team also monitors and measures the Group's environmental performance to ensure that the impact of its operations on the environment is minimised. Throughout the reporting period, the Group has complied with all the parameters set forth in its environmental reporting requirements which included air quality monitoring, emission measurements, water effluent discharge and schedule waste disposal. As part of these processes, various independent third-party audit have been commissioned on the Group's waste discharge, air emissions and calculation methodology to ensure its emissions or discharge comply with domestic reporting, international accreditations and government regulations.

Waste Management

For FY2023, the Group has continued with its efforts to improve its waste management by focusing on the 3R (Reduce, Reuse and Recycle).

Reduce: The main focus remains on the reduction of sludge landfill.

Reuse: The Group continues to return the empty containers back to its suppliers for refilling of chemicals.

Recycle: The Group commits and continues to recycle and reclaim scraps and waste and convert to useful materials and products in the most effective manner and to comply with the Malaysian Department of Environment (DOE)'s Guidelines.

The Group has a very good recycling and reuse programme on site. Currently, the Group recycles waste-water treatment sludge as raw material for core board production.

Hazardous Substances

To keep the workplace safe, it is important to understand what constitute hazardous chemicals and how to identify them. All the chemicals used in the deinking process of the Group's tissue production are chlorine free and safe for the environment. Cheaper, harmful alternative substances classified as toxic, ecotoxic, carcinogenic, mutagenic or toxic to reproduction are prohibited from being used in our tissue production process. In fact, all our health-friendly chemicals added to the paper products fulfill the stringent environmental criteria set forth by the Environmental Choice of New Zealand Guideline ("ECNZ") and the Good Environmental Choice Australia ("GECA").

We strive for a safe and healthy work process and environment for our workforce.

Sustainability Statement

ENVIRONMENTAL (Cont'd)

Water Management

We view water management as an ongoing journey of improvement. We regularly review our strategies and seek feedback from stakeholders to ensure that we are on track towards our goals.

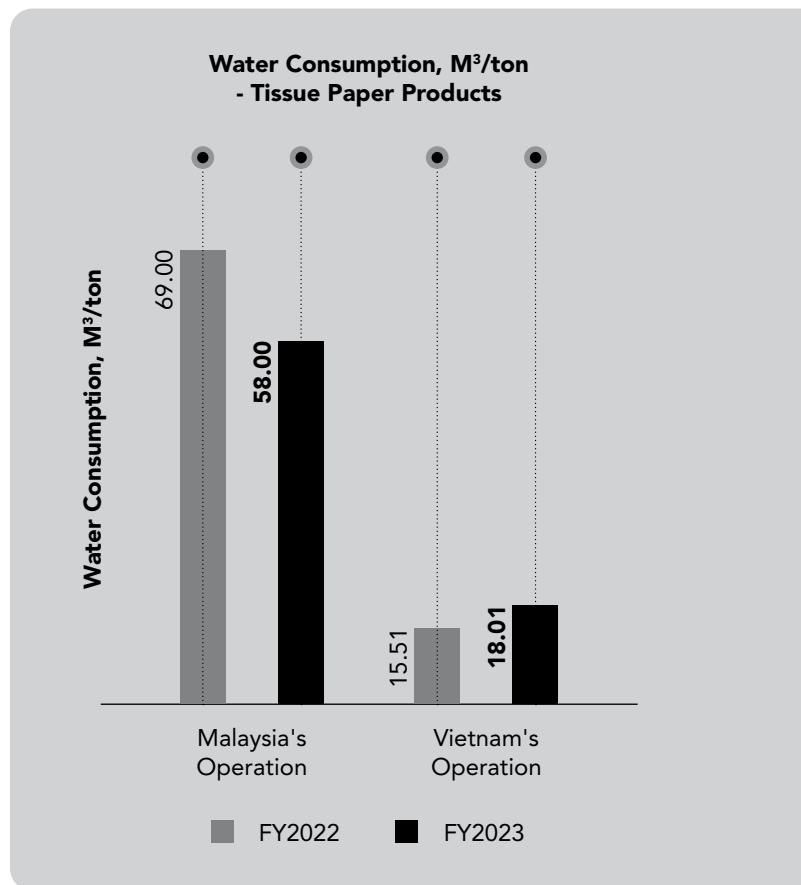
Our tissue paper manufacturing process requires a large amount of water. For our tissue paper manufacturing facilities in Malaysia, we use river water and treat it for our manufacturing processes, whereas for our tissue paper manufacturing facilities in Vietnam, we use tap water provided by the local water supply company.

As an integral part of our environmental programme, we are dedicated to conserving water and reducing water consumption wherever possible. We have implemented water-saving technologies and systems throughout our manufacturing operations to optimise water usage. In FY2023, the average water consumption for the production of tissue paper at our facilities in Malaysia was 58M³ per ton of tissue paper, a reduction of 15.9% as compared to FY2022. By FY2026, we aim to decrease the average water consumption to 50M³ per ton of tissue paper. On the other hand, at our facilities in Vietnam, in FY2023, the average water consumption for the production of tissue paper is 18.01M³ per ton of tissue paper, which is higher than 15.51M³ for per ton of tissue paper in FY2022, but is still below our target of 20M³ per ton of tissue paper. The Group continuously seeks opportunities for process optimization and innovation to reduce water wastage while maintaining the highest standards of quality in our tissue paper production.

We understand the importance of maintaining water quality in our operations and the surrounding environment.

For our facilities in Malaysia, the Group has installed a comprehensive system, equipped with a series of physical, chemical and biological treatment processes to effectively remove suspended solids and various contaminants from the wastewater generated during the production process. This ensures that the quality of the discharged water meets/ or exceeds regulatory environmental standards. The environmental impact on the surrounding water bodies is reduced, hence mitigating the risk of river water pollution. We also conduct daily performance monitoring of the effluent treatment system to ensure that the treatment process is functional and capable of treating the effluent. We have an in-house laboratory to conduct daily testing on effluent quality such as suspended solids, chemical oxygen demand (COD) and potential of hydrogen (pH). On a weekly basis, we send our effluent sample to accredited laboratory for testing of effluent quality and up-load the data to DOE online system.

For our facilities in Vietnam, we have installed DAF (Dissolved Air Flotation) equipment to remove suspended solids from waste water before discharging it into the VSIP (Vietnam-Singapore Industrial Park) sewage treatment system. This practice is adopted as a response to the local government advocating a centralised sewage system and a streamlined waste water discharge system in the industrial park.



Sustainability Statement

ENVIRONMENTAL (Cont'd)

Certification

In line with our Sustainability Statement, the Group strives to comply with all relevant environmental, legal and other legislative requirements in meeting its customers' expectations and satisfaction. As an eco-friendly manufacturer, the Group has obtained a number of environmental certifications as set out below and participated in numerous environment programmes to make continuous improvements and achieve sustainable development.

Malaysia

- Environmental Choice New Zealand ("ECNZ") (Certificate Number: 6009045, valid until January 2024);
- Forest Stewardship Council Chain of Custody (FSC CoC) (Certificate Number: BV-COC0120660, valid until 22 May 2024);
- Good Environmental Choice Australia ("GECA") (Certificate Number: NPM- 2022, valid until 30 July 2025);
- Hazard Analysis & Critical Control Point (HACCP) (Certificate Number: HC116888, valid until 27 June 2025);
- ISO 9001:2015 Environmental Management System (Certificate Number: Q116888-2, valid until 25 May 2023);
- ISO 14001:2015 Environmental Management System (Certificate Number: E116888-2, valid until 25 May 2023); and
- Singapore Green Label (Certificate Number: 074-012-3753, 074-012-3754, 074-012-3755, 074-012-3756, 074-012-3757, and 074-012-3762, valid until 20 October 2023)

Vietnam

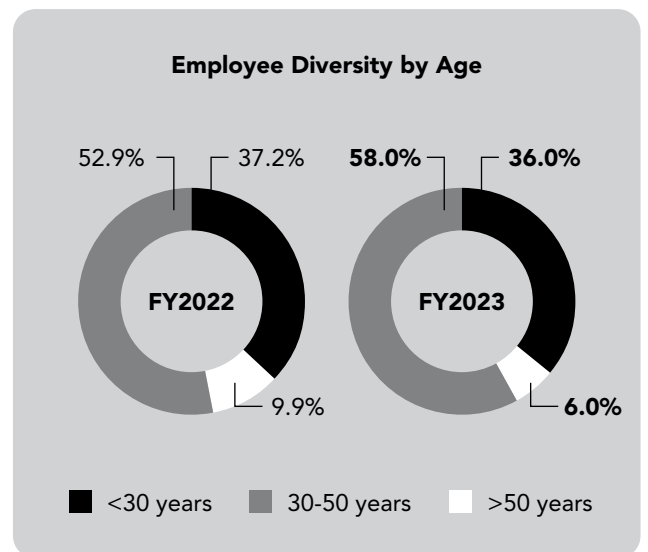
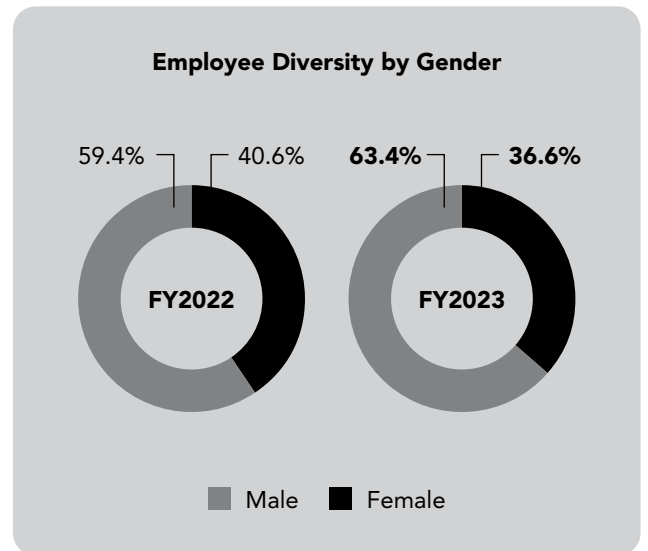
- Environmental Choice New Zealand ("ECNZ") (Certificate Number: 6015166, valid until July 2023);
- Forest Stewardship Council Chain of Custody (FSC CoC) (Certificate Number: BV-COC-136160, valid until 28 September 2027);
- ISO 14001:2015 Environmental Management System (Vietnam Certificate Number: CPRJ-2018-068252/QMS, valid until 4 June 2024); and
- ISO 9001:2015 Environmental Management System (Vietnam Certificate Number: CPRJ-2018-068252/QMS, valid until 4 June 2024).

SOCIAL

Employee Management

The Group adopts employment policies and practices that are inclusive and non-discriminatory. The Group is committed to treating all our employees equally, ensuring the protection of human rights and providing equal career development opportunities to our employees regardless of gender, race and age. Also, the Group focuses on hiring and promoting ethnically diverse people based on their skill, capability, experience and our needs.

The Group's employment diversity by gender and age show as below:



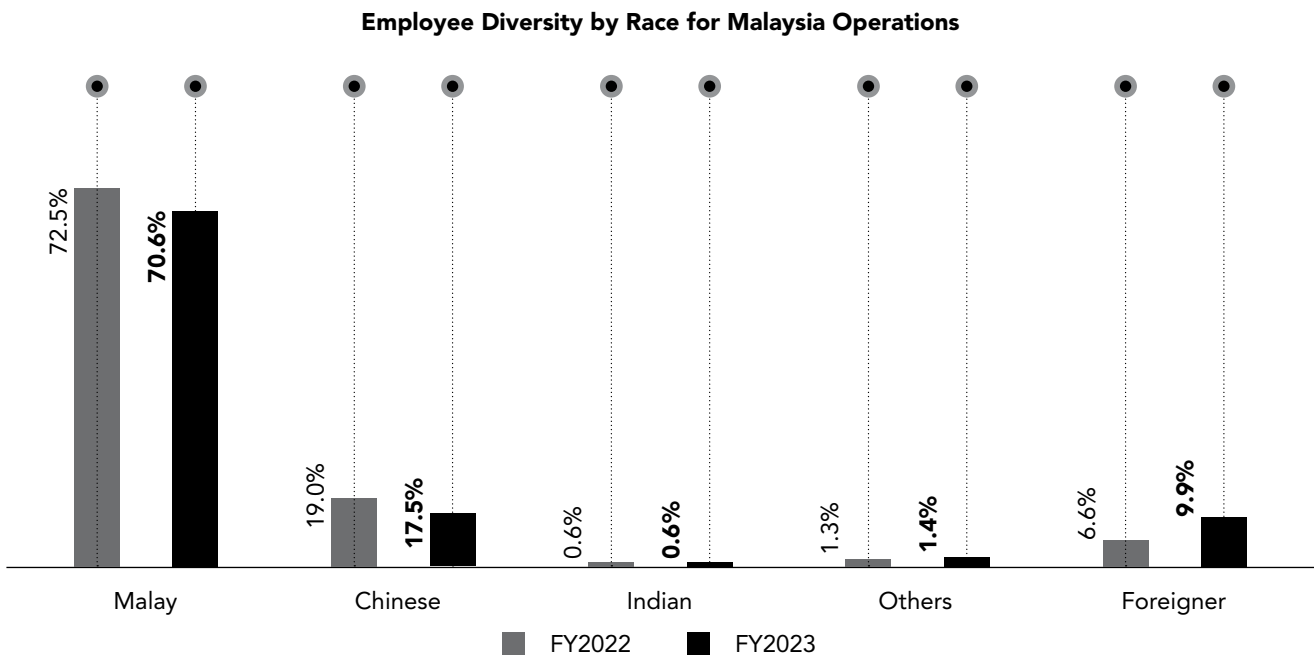
Sustainability Statement

SOCIAL (Cont'd)

Employee Management (Cont'd)

Malaysia is known for its diverse population comprising various ethnic groups, including Malay, Chinese, Indian, and other races. Thus, our commitment to employee management by race is specifically directed towards Malaysia operations. In line with our sustainability goals, we understand that a diverse and empowered workforce is key to our long-term success as an organisation. Embracing race diversity is not only a moral imperative but also a strategic advantage that enables us to understand and cater to the needs of our diverse customer base.

The Group’s employment diversity by race for Malaysia operation is shown as below:

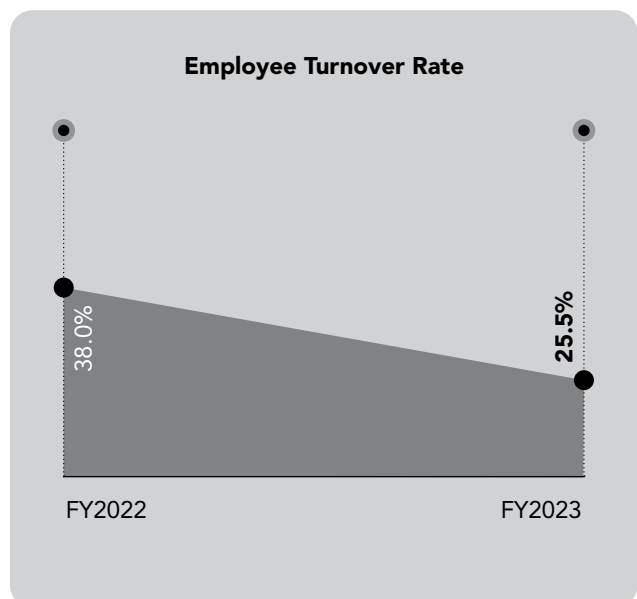


As at 30 April 2023, the Group has a workforce of 3,640 employees, of which 2,701 are located in Malaysia.

Employees Turnover

In FY2023, the Group is pleased to report a lower employee turnover rate, which is indicative of a high level of employee satisfaction and commitment within our organisation. The dedication and passion exhibited by our workforce contribute to a stable and productive work environment, allowing us to advance our sustainability goals and corporate mission effectively.

Our commitment to employee retention and well-being is deeply ingrained in our corporate values. The Group continuously monitors and analyses employee turnover rates to better understand the underlying reasons behind any departures. This practice enables us to identify areas for improvement and develop targeted strategies to retain our valuable talent.



Sustainability Statement

SOCIAL (Cont'd)

Training and Education

As an organisation committed to talent development, the Group prioritises equipping our employees with the knowledge and skills necessary to excel in their roles and contribute effectively to our sustainability mission. Our comprehensive development programmes encompass a wide range of essential areas, including compliance with rules and regulations, health and safety protocols, technical training and product development.

We firmly believe that investing in our employees' growth and professional development not only enhances individual capabilities but also strengthens overall organisational performance.

The Group's training initiatives are designed to be inclusive and accessible to all employees, regardless of their position within the organisation. We recognise the importance of providing tailored training programmes to meet individual needs and align with career aspirations. By empowering our employees with relevant and up-to-date knowledge, we are better positioned to tackle challenges, drive innovation, and maintain the highest standards of compliance and safety across our operations.

Looking ahead, the Group remains dedicated to expanding and refining our talent development programmes continually. Our goal is to further increase the number of training hours, ensuring that our workforce remains skilled, motivated, and equipped to address the ever-evolving demands of our industry.

The total training hours recorded by the Group are shown as follows:

Type of Training	FY2023 No. of hours	FY2022 No. of hours
Compliance Training	36.50	8.00
Diversity and Inclusion Training	36.50	-
Environmental Sustainability Training	267.50	61.00
Health and Safety Training	778.00	239.50
Leadership and Management Development	139.00	-
Product Development Training	63.33	13.00
Professional Development and Continuing Education	14.00	28.50
Technical Training	89.72	-
The total training hours	1,424.55	350.00

Besides having in place training and development programmes for our employees, we also have put in place initiatives such as the Group's internship programme which is extended to the Group's employees' children by enabling them to receive on-the-job training at diploma and post graduate levels in both technical and non-technical disciplines. Upon completion of their internship programme, exceptional and deserving candidates are offered job opportunities within the Group. For FY2023, a total of 11 students have benefited from our internship programme.

Occupational Safety and Health

The Group recognises the importance of maintaining high standards for the occupational health and safety of its employees and other stakeholders. In order to protect the well-being of its workforce, the Group has set up its Occupational Safety and Health Management ("OSH") Committee to oversee and report all areas related to the Group's health, safety and environment ("HSE") performance as required by applicable laws and regulations.

Sustainability Statement

SOCIAL (Cont'd)

Occupational Safety and Health (Cont'd)

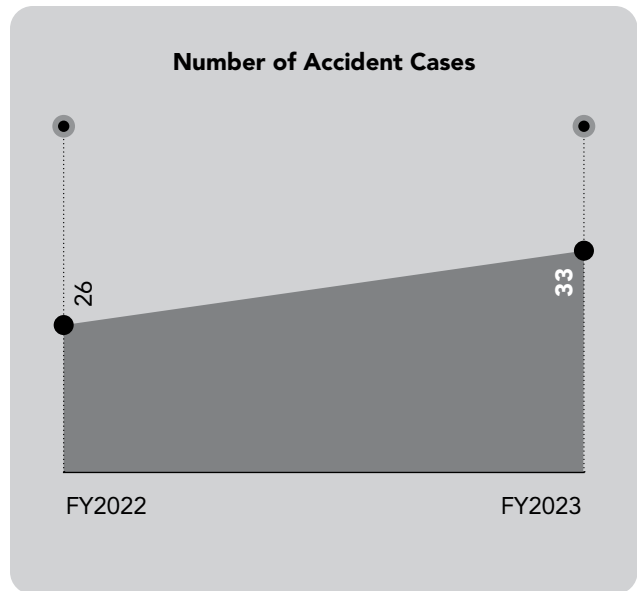
The Group is committed to developing a sustainable green, safety and health culture in the organisation by:

- Providing and maintaining the workplace in a safe condition;
- Protecting the safety and health of all employees and other stakeholders who may be affected by the work carried out in the organisation;
- Preventing pollution to the environment, work-related fatalities, disabilities, injuries, ill health, diseases, property and environmental damage and near misses;
- Complying with applicable legal and other legislative requirements on Environmental and Occupational Safety and Health Management;
- Ensuring that all employees are consulted and encouraged to participate actively in all elements of the OHSAS (Occupational Health and Safety Assessment Series) recognised Occupational Safety and Health Management System; and
- Continuously improving the performance of the Environmental and Occupational Safety and Health Management System.

A great deal of attention is also paid to our Personal Protective Equipment ("PPE") which is mandatory for all our employees according to the nature of their job functions. The PPE is constantly checked for its efficacy and periodically replaced and upgraded to ensure higher levels of protection and comfort. The Group also conducts an assessment to identify the specific OSH training needs of employees. This includes workplace hazards, emergency procedures, safety protocols and any other relevant topics. HSE training and awareness are provided to employees for at least 4 hours per year per headcount.

Accident rate trends are monitored and each accident is communicated to all employees to inform them of the severity and frequency of the accident. This is a form of continuous improvement as part of our consistent efforts to prevent and reduce work-place accidents from recurring.

The Group aims to reduce the number of work-place accidents every year. However, in FY2023, the number of the Group's work-place accidents has increased by 7 incident cases. No fatalities were recorded for employees and stakeholders in FY2023. The Group is committed to taking stronger preventive actions to reduce the number of work-place accidents.



Contribution to Society

During FY2023, the Group has provided financial support to various non-profit organisations such as old folk homes, disabled children's homes and primary and secondary schools with the amount of RM 307,935.

	FY2023	FY2022
Amount invested in the communities	RM 307,935	RM 297,900
Total number of beneficiaries of the investment in communities	20	19

Sustainability Statement

SOCIAL (Cont'd)

Contribution to Society (Cont'd)

The Group's products and services make daily life easier and provide people with the opportunity to live an active life. We share our hygiene knowledge and educate young children the essentials of healthy living. A case in point is our "Sembang-Sembang Intim" school programme which has been running for 14 years. This year is the first school programme the Group conducted after Covid-19 lockdown. This year's programme covered a total of 153 primary schools and 103 secondary schools from 30 May 2022 to 15 February 2023. We have managed to educate more than 19,079 primary school female students and 14,176 secondary school female students in selected schools nationwide.



Our educational programme has been very well received by the schools and students. Our programme is beneficial to the students as our programme presentation has a very comprehensive coverage of puberty, menstruation, the process and functions of menstrual cycle, premenstrual syndrome and also social issues faced by teenagers especially for secondary school students. Our programme also shares the information on how to overcome premenstrual syndrome and to maintain personal hygiene during the period. We have also shared the different types of sanitary pad and pantyliner, and the correct way of using them.

During FY2023, the Group had kicked off a new school programme named "To A Greener Environment". "To A Greener Environment" is a comprehensive school programme designed to instill environmental awareness, sustainability values and eco-conscious behaviors among students and teachers. This programme is to empower the younger generation with the necessary knowledge, skills and values required to address the pressing environmental issues through education. The programme covered a total of 19 primary schools from 4 April 2023.

"To A Greener Environment" school programme serves as a catalyst for positive change, nurturing environmentally conscious individuals who will be future leaders in promoting sustainability. By creating a green culture and engaging the broader community, we aspire to contribute to a greener and more sustainable world, one step at a time. Together, we can empower the next generation to take action and make a lasting impact on our planet's well-being.

The Group believes the importance and benefits of giving back to the community. From time to time, we support communities in need and make a difference in their lives.

Sustainability Statement

SUSTAINABILITY PERFORMANCE DATA	FY2023	FY2022	FY2021
ECONOMIC			
Business and Financial Performance			
Direct Economic Value Generated:			
Revenue (RM'000)	868,289	764,899	749,660
Economic Value Distributed:			
Operating costs (RM'000)	693,645	570,751	521,902
Salaries and benefits (RM'000)	167,177	157,023	163,293
Payments to lenders (RM'000)	14,648	7,297	9,334
Payments to government (RM'000)	15,354	21,655	18,231
Payments to shareholders (RM'000)	8,984	17,969	26,953
Total	899,808	774,695	739,713
Supply Chain Management			
Percentage of local suppliers	68.2%	63.8%	64.0%
Percentage of foreign suppliers	31.8%	36.2%	36.0%
Director Diversity			
Diversity by Gender			
Male	66.7%	100.0%	100.0%
Female	33.3%	0.0%	0.0%
Diversity by Age			
<30 years	0.0%	0.0%	0.0%
30-50 years	16.7%	0.0%	0.0%
> 50 years	83.3%	100.0%	100.0%
Anti-Corruption			
Percentage of employees who have received training on anti-corruption by employment category:			
- Management	100.0%	100.0%	100.0%
- Non-management	100.0%	100.0%	100.0%
Percentage of operations assessed for corruption-related risks	100.0%	100.0%	100.0%
Confirmed incidents of corruption	NIL	NIL	NIL
Data Privacy and Security			
Number of substantiated complaints concerning breaches of stakeholders' privacy	NIL	NIL	NIL

Sustainability Statement

SUSTAINABILITY PERFORMANCE DATA	FY2023	FY2022	FY2021
ENVIRONMENT			
Carbon Emissions			
Energy consumption			
Electricity (KWH)	93,987,583	98,366,821	103,907,480
Natural Gas (mmBTU)	371,149	327,390	349,751
<u>Malaysia Operations</u>			
Electricity, KWH/ton of production	1,359.0	1,393.0	1,337.0
Natural Gas, mmBTU/ton of production	6.9	6.1	5.6
Waste wood, mmBTU/ton of production	3.8	4.7	5.3
<u>Vietnam Operations</u>			
Electricity, KWH/ton of production	1,207.4	1,234.0	1,244.0
Rice Husk mmBTU/Ton of production	10.9	10.9	12.0
Greenhouse Gas Emissions (Malaysia Operations)			
<u>Tissue Paper Products</u>			
Scope 1 (kgCO _{2e})	21,614,353	19,170,567	No reported
Scope 2 (kgCO _{2e})	26,641,073	27,938,663	No reported
Average GHG emissions per ton (kgCO _{2e} /ton)	887	889	No reported
<u>Personal Care Products</u>			
Scope 1 (kgCO _{2e})		No applicable	
Scope 2 (kgCO _{2e})	4,736,251	4,682,312	No reported
Water Management			
Water consumption (M ³)	615,644.00	646,971.96	No reported

Sustainability Statement

SUSTAINABILITY PERFORMANCE DATA	FY2023	FY2022	FY2021
SOCIAL			
Employee Management			
Number of Complaints Concerning Human Rights Violations	NIL	NIL	NIL
Diversity by Gender			
Male	63.4%	59.4%	64.9%
Female	36.6%	40.6%	35.1%
Diversity by Age			
<30 years	36.0%	37.2%	42.1%
30-50 years	58.0%	52.9%	48.7%
> 50 years	6.0%	9.9%	9.2%
Diversity by Race (Malaysia Operations)			
Malay	70.6%	72.5%	74.8%
Chinese	17.5%	19.0%	18.1%
Indian	0.6%	0.6%	0.5%
Others	1.4%	1.3%	0.0%
Foreigner	9.9%	6.6%	6.6%
Diversity by Gender for Each Employee Category			
<u>Management</u>			
Male	7.4%	8.0%	8.0%
Female	6.9%	7.3%	7.0%
<u>Non-management</u>			
Male	55.9%	51.4%	56.9%
Female	29.8%	33.3%	28.1%
Diversity by Age for Each Employee Category			
<u>Management</u>			
<30 years	2.9%	3.4%	3.5%
30-50 years	9.8%	10.1%	9.9%
> 50 years	1.6%	1.8%	1.6%
<u>Non-management</u>			
<30 years	33.1%	33.9%	38.6%
30-50 years	48.2%	42.8%	38.7%
> 50 years	4.4%	8.1%	7.7%

Sustainability Statement

SUSTAINABILITY PERFORMANCE DATA	FY2023	FY2022	FY2021
SOCIAL (Cont'd)			
<u>Employee Turnover</u>			
Percentage of employee turnover	25.5%	38.0%	23.7%
<u>Training and Education</u>			
Total training hours	1,424.55 hours	350 hours	112.5 hours
Total of number employees that are under internship	11	5	5
<u>Occupational Safety and Health</u>			
Number of work-related fatalities	0	0	0
Number of accident cases	33	26	23
Total training hours on occupational safety and health	778 hours	239.5 hours	58.5 hours
<u>Contribution to Society</u>			
Amount invested in the communities (RM'000)	307.9	297.9	49.3
Total number of beneficiaries of the investment in communities	20	19	14

Corporate Governance Overview Statement

The Board of Directors (“the Board”) of NTPM Holdings Berhad (“NTHB” or “the Company”) recognises the importance of practising high standards of corporate governance, which is essential in building a sustainable business and creating long term value for the shareholders and stakeholders and enhancing the performance of the Company and its subsidiaries (“the Group”). The Board is unreservedly committed to applying the practices necessary to ensure that good governance is practised in all its business dealings.

The Board is pleased to present the Corporate Governance Overview Statement (“Statement”) to provide shareholders and investors with an overview of the extent of compliance with the following three (3) Principles as set out in the Malaysian Code on Corporate Governance (“MCCG”) which were applied by the Board of the Company for the financial year ended 30 April 2023 (“FY2023”):

- (a) Principle A : Board Leadership and Effectiveness;
- (b) Principle B : Effective Audit and Risk Management; and
- (c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement also serves as compliance with Paragraph 15.25(1) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and shall be read together with the Corporate Governance Report (“CG Report”) of the Company, which provides details on how the Company has applied each practice as set out in MCCG. The CG Report is available on the website of the Company at <https://www.ntpm.com.my> and Bursa Securities’ website at <https://www.bursamalaysia.com>.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 - BOARD RESPONSIBILITIES

Intended Outcome 1.0

- **Every company is headed by a Board, which assumes responsibility for the leadership of the company and is collectively responsible for meeting the objectives and goals of the company.**

1.1 Strategic aims, values and standards

The primary responsibility of the Board is to provide effective leadership to ensure that it promotes the long-term sustainable success of the Group, generating value for our shareholders and other stakeholders, and contributing to society. The Board, supported by its committees, provides leadership within a framework of prudent and effective controls.

The Board provides leadership and direction to the operations of the Group while the Management is accountable for the execution of policies and meeting corporate objectives.

An effective Board is one that is made up of a combination of Executive Directors with intimate knowledge of the business and Non-Executive Directors from diversified industry/business backgrounds to bring broad business and commercial experiences to the Group.

The Board received regular updates from the Executive Director and Group Chief Executive Officer (“Group CEO”), Mr. Lee Chong Choon and other members of Management in Board meetings in respect of all material business matters to the Group with regard to strategy, planning, business development, risk management, governance and employee engagement. The Board discusses and advises the Management in its formulation of business strategies, both short-term and long-term. Discussions would include the deployment of resources efficiently and effectively in achieving the set objectives. In making its decisions, the Board would be guided by the values and standards of the Group.

The Board has the overall responsibility for corporate governance, establishing goals, strategies and direction, financial plans, annual budget, investment proposals, reviewing the performance of the Group and critical business issues and ultimately the enhancement of long-term shareholders’ value. It monitors and delegates the implementation of the strategic direction to the Management.

The Board plays an active role in the development of strategy. It has in place an annual strategy planning process whereby the Management presents to the Board its recommended strategy and proposed business plan for the following year at the Board meeting. The Board reviews and deliberates upon both the Management’s and its own perspectives, and challenges Management’s views and assumptions to deliver the best outcomes. On 27 June 2022, upon due deliberation, the Board approved the budget and the capital expenditure for the FY2023 as presented by the Group CEO.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 1 - BOARD RESPONSIBILITIES (Cont'd)

1.1 Strategic aims, values and standards (Cont'd)

During each quarterly meeting, the Board discusses with the Management on the status of the implementation of its strategic and business plan for the Group. The Board also receives updates from the Management on the operational and industrial challenges faced by the Group.

The Board is satisfied with the strategic plan of the Company as presented by the Executive Directors and the Management. The Board will continue to review the strategic plan to ensure its implementation.

The Board has a formal schedule of matters reserved for its decision which include, amongst others, the following:

- Reviews and adopts a strategic and business plan for the Company.
- Oversees the conduct of the business and evaluates whether the business is being properly managed.
- Identifies principal risks and ensures the implementation of appropriate systems to manage these risks in order to achieve a proper balance between risk incurred and potential returns to shareholders.
- Reviews the adequacy and the integrity of the internal control systems including systems for compliance with the applicable laws, regulations, rules, directives and guidelines. The Board must ensure that there is a satisfactory reporting framework on internal financial controls and regulatory compliance.
- Examines its own size and composition to determine the impact on the Board's effectiveness. The Board shall ensure that it has enough Directors to discharge its responsibilities and perform its functions.
- Receives and seeks relevant information for the assessment of the performance of the Company.
- Ensures that the financial statements of the Company are true and fair, and comply with all applicable laws and governmental regulations applicable to the business and its conduct.
- Ensures that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management.
- Reviews, challenges and decides on the Management's proposals for the Company and monitor its implementation by the Management.

The Board retains full and effective control of the Company and has developed corporate objectives and position descriptions including the limits to Management's responsibilities, which the Executive Directors are aware of and responsible for meeting. The Board has an understanding of matters reserved to itself for decision-making, which includes investment policy, approval of financial results and major capital expenditures, declaration of dividends, strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and acquisition activities, reviewing the adequacy of internal control systems and appointment of key responsible persons.

The Independent and Non-Independent Non-Executive Directors deliberate and discuss policies and strategies formulated and proposed by the Management to consider the long-term interests of all stakeholders. The Independent Directors provide their independent and unbiased view, advice and judgement to ensure a balanced and unbiased decision-making process to safeguard the long-term interests of all stakeholders and the community.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and responsibilities to the Executive Directors, representing the Management, as well as to the following Board Committees ("Committee(s)"), each with delegated responsibilities and duties:

- Audit Committee ("AC");
- Risk Management Committee ("RMC");
- Nominating Committee ("NC"); and
- Investment Committee ("IC").

These Committees oversee the broad strategic areas within the Group such as audit and finance, risk, major investment, sustainability and ethics, Board renewals, and related matters. Each of these Committees operates under its clearly defined Terms of Reference ("TOR") which set out its duties, authority and reporting responsibilities. The TORs are reviewed on a regular basis by each Committee to ensure they remain appropriate, approved by the Board and made available on the website of the Company. The Chairman of each Committee reports to the Board on the outcome of the Committee's meetings and resolutions, which would also include the key issues deliberated at the Committee's meetings.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 1 - BOARD RESPONSIBILITIES (Cont'd)

1.2 The Chairman of the Board

The Board has elected a Chairman from amongst the members of the Board. The roles and responsibilities under the ambit of the Chairman cum Managing Director of the Company are currently assumed by Mr. Lee See Jin.

The Chairman undertakes a leadership role in the conduct of the Board and its relationship with shareholders and other stakeholders. The Chairman is primarily responsible for leading the Board to discharge its fiduciary duties and responsibilities effectively and ensuring the adequacy and integrity of the governance process.

The responsibilities of the Chairman are clearly defined in the Board Charter. They include but are not limited to, the following:

- a) leading the Board in setting the values and standards of the Company so that the Board can perform its responsibilities effectively;
- b) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- c) ensuring the provision of accurate, timely and clear information to Directors;
- d) ensuring effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole;
- e) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- f) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
- g) facilitating the ongoing development of all Directors;
- h) leading Board meetings and discussions;
- i) encouraging active participation and allowing dissenting views to be freely expressed; and
- j) leading the Board in establishing and monitoring good corporate governance practices in the Company.

The Chairman of the Board also acts as Chairman at meetings of members.

The Board is mindful that the dual roles of Chairman and Managing Director held by Mr. Lee See Jin and is of the view that there are experienced and independent-minded Directors on the Board to provide an effective check and balance so that no one individual has unfettered powers of decision making.

Having joined the Board in 1996, Mr. Lee See Jin has considerable experience in the business of the Group and provides leadership for the Board in considering and setting the overall strategies and objectives of the Company. The Board is of the view that it is in the interest of the Company to maintain the above arrangement so that the Board can have the benefit of a chairman who is knowledgeable about the business of the Group and the territories globally in which the Group operates, who sets the overall strategies, conceptualise plans and leads the execution of all major projects and investments, who is capable of guiding discussions at Board meetings and briefing the Board in a timely manner on key issues and developments directly or indirectly affecting the business of the Group.

The Board is vigilant of the dual roles of the Chairman and Managing Director being performed by the same individual and will ensure that such arrangement will continue to be in the interests of the Company and its shareholders as a whole.

1.3 Separation of the position of Chairman and Group CEO

The Chairman is responsible for leading the Board in its collective oversight of Management and in ensuring the effectiveness of the Board whilst the Group CEO is responsible to execute the policies and strategies as approved by the Board for the purposes of running the business and the day-to-day management of the Company.

The positions of the Chairman and the Group CEO are held by different individuals and both of them are Executive Directors of the Group. The Group CEO also acts as a link between the Independent Directors and the Management to align management actions to Board decisions and strategies.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 1 - BOARD RESPONSIBILITIES (Cont'd)

1.4 Chairman and Board Committees

Practice 1.4 of the MCCG states that the Chairman of the Board should not be a member of the AC, NC or Remuneration Committee.

The Chairman of the Board, Mr. Lee See Jin is not a member of AC, NC or RMC but he is a member of the IC.

The Company believes that Mr. Lee See Jin has intimate knowledge of the business of the Group and is committed to setting high governance standards. His experience and industry knowledge benefit the Company and shareholders, which outweigh any perceived disadvantage of assuming the position of Chairman of the Board and a member of the IC.

1.5 Company Secretaries

The Board is supported by two (2) suitably qualified and experienced Company Secretaries in discharging its duties and responsibilities.

The Company Secretaries advise the Board on corporate governance related matters and ensure the Board adheres to the relevant rules and regulatory requirements as well as Board policies and procedures.

The Company Secretaries attend and ensure that all Board and Committees meetings are properly convened, and all deliberations and decisions are properly minuted and kept.

The Board has ready and unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties which the post entails.

In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:

- Undertaking statutory duties as required under the Companies Act 2016 ("Act"), Listing Requirements and Capital Market and Services Act, 2007;
- Facilitating and attending Board meetings and Committee meetings;
- Facilitating and attending General Meeting(s);
- Ensuring that Board meetings and Committees meetings are properly convened and the proceedings are properly recorded;
- Ensuring timely communication of the Board level decisions to the Management for further action;
- Ensuring that all appointments to the Board and/or Committees are properly made in accordance with the relevant regulations and/or legislations;
- Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;
- Facilitating the provision of information as may be requested by the Directors from time to time in a timely manner and ensuring adherence to Board policies and procedures;
- Facilitating the conduct of assessments to be undertaken by the Board and/or its Committees as well as compiling the results of the assessments for the Board and/or its Committees;
- Assisting the Company on the lodgements of documents with relevant statutory and regulatory bodies;
- Assisting the Board with the preparation of announcements for release to Bursa Securities and Securities Commission Malaysia; and
- Rendering advice and support to the Board and Management.

The Company Secretaries attended the Twenty-sixth (26th) Annual General Meeting ("AGM") of the Company held on 23 September 2022. During the 26th AGM, the Company Secretaries coordinated with the Management and Share Registrar or Poll Administrator to manage the processes of the meeting and ensured orderly proceedings, including the conduct of the poll taken on all resolutions tabled at the 26th AGM.

The Company Secretaries notify the Board and affected persons on closed period dealing and process and procedure to aid them in complying with the Listing Requirements.

The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company laws, the capital market, corporate governance and other pertinent issues, and with changes in the same regulatory environment, through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the two (2) qualified and experienced Company Secretaries in discharging its functions.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 1 - BOARD RESPONSIBILITIES (Cont'd)

1.6 Access to information and meeting materials

The Board meets, at least quarterly, to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meetings will be called when necessary. The relevant reports and Board meetings papers are prepared in a concise and comprehensive manner and distributed to all Directors in a timely manner prior to the Board meetings to allow the Directors sufficient time to peruse, for effective discussion and decision-making during the meetings.

Senior Management staff were invited to attend the Board meetings to provide the Board with detailed explanations and clarification on certain matters which are tabled to the Board. All Directors have unrestricted access to information with the Group. The Directors may interact directly with the Management, or request further explanation, information, or updates from them on any aspect of the operations of the Company or any business concerns. In this way, the Board has full access to all information on the affairs of the Company to enable the proper discharge of duties.

All deliberations and decisions made at the Board meetings are recorded by the Company Secretaries including whether any Director abstained from voting or deliberating on a particular matter. Minutes of the meeting are circulated to the Board and the Management for review and comments in a timely manner before the minutes of the last Board meeting are confirmed at the next Board meeting.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

For FY2023, the Board held four (4) meetings with full attendance records of the Directors as tabulated below:

Director	Attendance
Lee See Jin	4/4
Lee Chong Choon	4/4
Tan Choon Thye	4/4
Dato' Dr. Juita Binti Ghazalie (Appointed on 23 September 2022)	2/2
Chang Hui Yui (Appointed on 23 September 2022)	2/2
Lim Han Nge (Retired on 23 September 2022)	2/2
Chang Kong Foo (Retired on 23 September 2022)	2/2
Dr. Teoh Teik Toe (Resigned on 16 May 2023)	4/4
Mr. Nishant Grover (Appointed on 20 June 2023)	N/A

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in the Listing Requirements. In the interval between Board meetings, for any matters requiring the Board's decisions, the Board's approvals are obtained through the Directors' resolution in writing. The resolutions passed by way of the Directors' resolution in writing are then noted at the Board meeting.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 1 - BOARD RESPONSIBILITIES (Cont'd)

Intended Outcome 2.0

- **There is demarcation of responsibilities between the Board, Board committees and management.**
- **There is clarity in the authority of the Board, its committees and individual directors.**

2.1 Board Charter

The Board had in 2013 formalised a Board Charter (“Charter”) to document the roles and responsibilities to ensure accountability of the Board and Management. The Board is guided by the Charter which provides a reference for Directors in relation to the Board’s role, powers, duties and functions. The Charter also serves as a reference point for the Board’s activities where the Board has established clear functions reserved for the Board and those delegated to Committees.

The Charter is reviewed on a regular basis to be in line with the latest statutory and regulatory requirements, as well as the operational and business direction of the Group. The Charter was last reviewed and approved by the Board on 13 March 2023.

The Charter is available on the website of the Company.

Intended Outcome 3.0

- **The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.**
- **The Board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.**

3.1 Code of Conduct and Ethics and Anti-Bribery and Corruption Policy

The Board has in place a Code of Conduct and Ethics for all Directors and employees of the Group. The Code of Conduct and Ethics includes amongst others respect for the individual, creating a culture of open and honest communication, setting tone at the top, upholding the laws, avoiding conflicts of interest, setting metrics and reporting results accurately. In addition to the Directors’ Code of Ethics as set out in the Company Directors’ Code of Ethics established by the Companies Commission of Malaysia, the Core Values of the Group also give emphasis on the behavioural ethics and conduct that set out the sound principles and standards of good practices within the business landscape of the Group, which are expected to be observed by the Directors and employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with various stakeholders such as shareholders, customers, fellow employees, and regulators.

The Directors have a duty to declare immediately to the Board should they be interested in any transaction to be entered into directly or indirectly by the Company. An interested Director is required to abstain from deliberations and decisions of the Board on the transaction and not to exercise any influence over the Board in respect of the transaction. In the event a corporate proposal is required to be approved by shareholders, interested Directors are required to abstain from voting in respect of their shareholdings in the Company on the resolutions pertaining to the corporate proposal, and will further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions.

During FY2023, there was no known non-compliance with the Code of Conduct and Ethics by the Directors and the employees.

The Group adopted its Anti-Bribery and Corruption Policy on 26 June 2020. The Anti-Bribery and Corruption Policy sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the business of the Group. The Group takes reasonable and appropriate measures to ensure that it does not participate in corrupt activities through training sessions and enhanced processes. This policy is supplemental to and shall be read in conjunction with the Code of Conduct and Ethics of the Company.

In FY2023, no incident of bribery and corruption were reported to the Group. In addition, internal audit engagement did not identify any issues or activities indicative of bribery or corruption.

The Code of Conduct and Ethics and Anti-Bribery and Corruption Policy are available for viewing on the website of the Company.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**PART 1 - BOARD RESPONSIBILITIES (Cont'd)****3.2 Whistleblowing Policy and Procedures**

The Board has formalised and adopted the Whistleblowing Policy and Procedures on 23 June 2016. The Whistleblowing Policy and Procedures serve as an essential part of the internal control system setting out a framework for all employees and stakeholders to report concern about any malpractice within the Group. This assist to nurture a standard of corporate behaviour in creating an ethical corporate climate and developing a culture of openness, transparency, accountability and integrity.

There was no incident of whistleblowing in FY2023.

The Whistleblowing Policy and Procedures is available on the website of the Company.

3.3 Conflict Management Policy

The Conflict Management Policy provides guidance to all affected personnel and employees on how to identify and manage actual, potential and perceived conflict should there be one. It forms part of the Conflict Management Framework ("CMF") of the Company.

Systems, processes and controls are implemented to ensure compliance with this policy comprising the CMF applicable to the Company and all affected personnel and employees. The Board is ultimately responsible for the development and management of the CMF.

The Conflict Management Policy is available on the website of the Company.

3.4 Succession Planning Policy

Leadership continuity is important to ensure the continued effective performance of the Company.

The Group put in place a Succession Planning Policy on 24 July 2018 for the Board to fill up the Board vacancy well in time to avoid any leadership gap. Succession planning for the Board includes succession and renewal for the Board as a whole due to retirement, resignation, death or disability, new business opportunities and other unforeseen circumstances.

The Board, with the assistance of the NC and working with the Executive Directors and the Human Resource Department, oversees executive officer development and corporate succession plans to provide continuity in leadership.

The Succession Planning Policy includes the development and succession planning process as well as the steps to creating an emergency succession contingency plan to prepare the organisation for an unexpected transition.

Intended Outcome 4.0

- **The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.**

4.1 Strategic management of sustainability matters

The Board recognises the importance of sustainability development to business and is committed to ensure emphases are given to environmental, social, economic and governance aspects as an integral part of its business operations.

The Board is responsible for the development of the sustainability strategies. The Sustainability Working Group is headed by the Group CEO and supported by the members from the Safety and Health Management Committee, ECNZ (Environmental Choice New Zealand) Committee, and key executives of the Group. The Sustainability Working Group has been entrusted to drive strategic management of material sustainability by identifying and recommending areas for improvement and implementing sustainability initiatives approved by the Board.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 1 - BOARD RESPONSIBILITIES (Cont'd)

4.2 Communication of sustainability strategies, priorities, targets and performance

The Group conducts periodic engagement with both external and internal stakeholders to better understand their perspectives and concerns on key issues and to integrate those perspectives and concerns into the sustainability strategy.

Details of the Stakeholder Engagement are as set out in the Sustainability Statement as contained in the Annual Report 2023.

The Group ensures that its communications with the shareholders and various stakeholders are transparent and timely. The Board is committed to establishing and maintaining open, long-term, mutually beneficial relationships with all of its stakeholder groups.

4.3 Staying abreast with sustainability issues

In order to ensure the Board are kept abreast with sustainability issues and have a sufficient understanding in sustainability matters relevant to the Group and its business, Directors are expected to attend sustainability-related programmes including conferences, seminars and trainings. Such sustainability issues would include climate-related risks and opportunities.

4.4 Performance evaluations include a review in addressing the material sustainability risks and opportunities

The performance evaluation of the Board for FY2023 included a review of their performance in addressing the material sustainability risk and opportunities and environmental, social and governance ("ESG") issues.

4.5 Sustainability Strategy (Step Up)

The Group CEO has been designated to manage sustainability strategically including the integration of sustainability considerations in the operations of the Group as well as reporting.

To oversee the planning and execution of sustainability strategies, the Sustainability Working Group has been set up. It is led by the Group CEO.

The Sustainability Working Group identifies, evaluates, monitors, and manages risks as well as opportunities relating to economic, environmental and social aspects and ensures that the sustainability matters are implemented throughout its business operations.

PART 2 - BOARD COMPOSITION

Intended Outcome 5.0

- **Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.**

5.1 Board Appointment

5.2 Board Composition

The Board currently comprises two (2) Executive Directors, three (3) Independent Non-Executive Directors, and one (1) Non-Independent Non-Executive Director. The present composition complies with Paragraph 15.02 of the Listing Requirements where the Independent Directors make up more than one-third (1/3) of the Board and Practice 5.2 of the MCGG as half of its members are Independent Directors.

The Board has examined its size and is of the view that the current Board size is appropriate and facilitates effective decision-making, taking into consideration the scope and nature of the operations of the Group. Furthermore, the current number of Board members is conducive for efficient deliberations at Board meetings and effective conduct of Board decision-making.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**PART 2 - BOARD COMPOSITION (Cont'd)****5.2 Board Composition (Cont'd)**

The NC reviewed the tenure of each Director as well as the annual re-election of a Director in accordance with the Directors' Fit and Proper Policy of the Company, after making an evaluation that the relevant Director's performance and contribution to the Board have been satisfactory.

The Board is of the view that the existing Independent Directors provide an adequate level of independence in the Board's composition and conduct, giving the assurance that there is a balance of power and authority in the Board. The Independent Directors of the Company provide guidance, unbiased, fully balanced and independent views, advice and judgment to many aspects of the strategy of the Group so as to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity are maintained by the Group.

The Non-Executive Directors are professionals of high calibre and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgment on issues of strategies, performance, resources and standards of conduct.

Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. All Non-Executive Directors do not participate in the day-to-day management of the Group.

The Board is satisfied that the Independent Directors represent the interest of public shareholders in the Company.

5.3 Tenure of Independent Director

The Board is mindful of the amendments in the Listing Requirements that the tenure of an Independent Director shall not be more than a cumulative tenure of twelve (12) years, implemented with effect from 1 June 2023.

The Board is also mindful of the recommendation of the MCCG that the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process in accordance with Practice 5.3 of MCCG.

Presently, none of the Independent Directors has exceeded a cumulative term of more than nine (9) years in the Company.

The Board through the NC assesses the Independent Directors on an annual basis, with a view to ensure the Independent Directors bring independent and objective judgment to the Board to mitigate any conflict of interest or undue influence from interested parties. The Board is satisfied with the level of independence demonstrated by all the Independent Directors considering their independence in character and judgment, contribution of constructive challenge and not having relationships which are likely to affect their judgement. The opinion is based on current participation and performance on both Board and Committees.

In ascertaining the independent status of the Directors, the Board believes that tenure should not form part of the assessment criteria. It is of the view that the fiduciary duties of Directors are the primary concern of all Directors, regardless of their status. The Board firmly believes that the ability of a Director to serve effectively is dependent on his/her calibre, qualification, experience and personal qualities, particularly his/her integrity and objectivity. It also believes there are significant advantages to be gained from long-serving Directors who possess insight and knowledge of the business and affairs in view of the continuous challenges faced by the Company.

The Board has not adopted a policy that limits the tenure of its independent directors to nine (9) years as is set out in the Board Charter.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 2 - BOARD COMPOSITION (Cont'd)

5.5 Appointments of Board and Senior Management

The appointment of the Board and Senior Management are based on objective criteria, merit, and with due regard for diversity in skills, experience, age, cultural background and gender.

The Company is guided by its Directors' Fit and Proper Policy in ensuring that the appointment and re-election of the members of the Board and Senior Management were based on identified objective criteria, e.g. character, integrity, relevant range of skills, knowledge, experience, competence, and time commitment so that they are able to discharge their roles and responsibilities effectively in the best interest of the Company. The said policy can be accessed on the website of the Company.

The NC having assessed and considered the candidates' background, professional qualifications, knowledge, integrity and competencies, independence as well as fulfilment of criteria set out in the Directors' Fit and Proper Policy, had recommended the proposed appointment of Mr. Nishant Grover ("Mr. Grover") as a Non-Independent Non-Executive Director of the Company. The Board has approved the appointment of Mr. Grover to take effect on 20 June 2023.

The Board, through the NC, considers annually the time commitment expected from each of the Director to meet the expectations of their role. The Board is also expected to attend the AGM, engage with stakeholders and participate in the Board evaluation process.

None of the Directors holds more than two (2) directorships in listed issuers in Malaysia which is well within the Listing Requirements to limit directors to a maximum of 5 directorships in listed issuers. This is to ensure that the Director is able to devote sufficient time and commitment to the Group.

The Board has considered these external commitments, taking into account the time commitment required for each role, and is satisfied they do not impact upon the individual Board members' ability to discharge their responsibilities fully and effectively. As evidenced in this Statement, all Directors attended all the Board and Committees meetings of the Company held in FY2023.

5.6 Utilisation of various sources in the identification of potential candidates

The Board is responsible for the appointment of new Directors. In sourcing for new Directors, the Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that such recommendation has its merits. The NC has the authority to obtain the services of professional recruitment firms to source candidates for directorship or seek independent professional advice whenever necessary.

The NC is empowered to bring to the Board recommendations as to the appointment of any new director or to fill Board vacancies as and when they arise. In making its recommendation, the NC will consider the required mix of skills, knowledge, education, qualities, expertise and experience, professionalism, integrity, time commitment, contribution and other factors including core competencies that the new Directors of the Company should bring to the Board.

The NC also ensures that the procedures for appointing new Directors are transparent, rigorous and that appointments are made on merit and against objective criteria for the purpose. Based on the NC's TOR, besides evaluating the skills, professionalism, integrity, knowledge and experience of the candidates, the NC also takes into consideration the following factors:

- Whether the individual meets the requirements for independence as defined in the Listing Requirements.
- Give full consideration to succession planning for directors in the course of its works, taking into account the challenges and opportunities facing by the Company and the skills and expertise required on the Board in the future.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**PART 2 - BOARD COMPOSITION (Cont'd)****5.6 Utilisation of various sources in the identification of potential candidates (Cont'd)**

The nomination and election process for new director(s) is as follows:

- (1) The NC receives a nomination from:
 - a. A Director of the Company; or
 - b. Requisition from the shareholders;
- (2) The NC shall review the proposed candidate(s) and if need be, to meet up with the candidate(s) for an interview;
- (3) The NC shall report its findings and recommendations to the Board for consideration;
- (4) If the nomination is from one of the Directors, the election process shall be conducted at a meeting of the Directors by show of hands;
- (5) If the nomination is from the shareholders, the election process shall be conducted at an AGM or Extraordinary General Meeting by show of hands or poll, as the case maybe;
- (6) In the event the number of candidates exceeds the maximum number of directors in accordance with the Regulation of the Constitution, the candidates with the highest votes are considered elected as directors; and
- (7) For item (6), if there is an equality of votes, and there are candidates who still exceed the number of vacancies, the election process for these excess candidates shall continue to be conducted to get the highest votes until the vacancies are filled.

In addition, Part 4.2.2 of the Board Charter specifies that the Board should use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates. This may include sourcing from a directors' registry, open advertisements or the use of independent search firms.

5.7 Board statement on the appointment or reappointment of Directors

The performance of retiring Directors recommended for re-election at the forthcoming Twenty-seventh ("27th") AGM has been assessed through the Board's annual evaluation.

The retiring Directors had abstained from voting on any resolution and making any recommendation and/or participating in respect of matters in which he has an interest.

A statement by the Board and NC pertaining to their satisfaction with the performance and effectiveness of the retiring Directors who are offering themselves for re-election at the AGM has been set out in the explanatory notes accompanying the Notice of AGM.

The profile for the retiring Directors, including their nature of interest with the Company (if any), are set out in the Directors' Profile section of this Annual Report.

5.8 Nominating Committee

The NC was set up on 8 March 2013 and is entrusted by the Board to assist in nomination for the Board and Committees as well as assessing their performance.

The TOR of the NC can be found on the website of the Company.

The NC comprises exclusively Independent Non-Executive Directors. The NC is chaired by an Independent Non-Executive Director, Mr. Tan Choon Thye.

On 23 September 2022, the Board reviewed and concurred with the recommendation of NC on the appointment of Dato' Dr. Juita Binti Ghazalie as a member of AC, RMC and IC and appointment of Ms. Chang Hui Yuin as a member of AC, NC and RMC.

The Board reviewed the composition of board committees on 20 June 2023 and concurred with the recommendation of NC on the appointment of Dato' Dr. Juita Binti Ghazalie as a member of NC in compliance with the composition requirement contained in the TOR of the NC and appointment of Ms. Chang Hui Yuin as a member of IC.

The NC is required to assess the Board's effectiveness in terms of its composition, roles and responsibilities, and whether the Committees have discharged their functions and duties in accordance with the TOR. The Board is assessed based on the character, competence, experience, integrity, and time availability of each Director as well as their abilities to contribute positively at meetings and in decision-making. The NC assesses on an annual basis the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and decision-making. All assessments and evaluations carried out by the NC in discharging its functions have been well documented.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 2 - BOARD COMPOSITION (Cont'd)

5.8 Nominating Committee (Cont'd)

A summary of activities undertaken by the NC during FY2023 are as follows:

- (i) Conducted the annual assessment of the performance of the Board as a whole;
- (ii) Conducted the annual assessment of the Independent Directors and made its recommendations to the Board;
- (iii) Reviewed the terms of office and performance of members of the AC;
- (iv) Reviewed and recommended the appointment of Dato' Dr. Juita Binti Ghazalie and Ms. Chang Hui Yui as Independent Non-Executive Director and change of Committees' composition in conjunction with the said appointment, for the Board's consideration;
- (v) Considered and recommended to the Board, the re-election of the Directors who are subject to retirement by rotation at the forthcoming 26th AGM of the Company;
- (vi) Reviewed and recommended the adoption of the Directors' Fit and Proper Policy; and
- (vii) Reviewed and recommended to the Board the proposed change of Committees' composition of the Company.

5.9 Gender diversity

The Company does not practise any form of gender, ethnicity and age group biasness as all candidates for either the Board or Senior Management shall be given fair and equal treatment.

The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group.

In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

That notwithstanding, the Board is mindful of the recommendation for Board diversity and the Listing Requirements where at least one (1) Director of a listed issuer is a woman. In view of that, the NC shall ensure that women candidates are sought during the recruitment exercise and would consider the requirement of gender diversity in its recommendation to the Board.

In FY2023, 2 out of 6 Directors i.e. 33% (FY2022: Nil) on the Board are females, which demonstrates the commitment of the Company to Board gender diversity. The Company had exceeded the prevailing requirement of Practice 5.9 of the MCCG to have at least 30% women Directors on the Board.

5.10 Gender Diversity Policy

The Company does not have a formalised board diversity policy or gender diversity policy. The appointment of the Board and Senior Management is based on objective criteria and merit with due regard to diversity skills, experience, age, cultural background and gender.

Intended Outcome 6.0

- **Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual directors.**

6.1 Assessment on the effectiveness of the Board

The NC conducted an annual assessment of its Directors and the effectiveness of the Board of Directors as a whole in terms of Board mix and composition, quality of information and decision making, boardroom activities and Board's relationship with Management and Committees for FY2023. The performance of the Board as a whole as well as Committees are assessed annually via an evaluation survey questionnaire known as Board Evaluation Questionnaire ("Questionnaire") to evaluate the overall performance against the criteria as set out in the Questionnaire. The aim of the Questionnaire is to enhance the effectiveness and strength of the assessment and to identify areas that need to be improved.

The findings of the Questionnaire which was presented to the Board by the NC on 20 June 2023 confirmed that the Board has discharged its duties and responsibilities effectively for FY2023.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 2 - BOARD COMPOSITION (Cont'd)

6.1 Assessment on the effectiveness of the Board (Cont'd)

The NC also assessed the independence of each of the Independent Non-Executive Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board. All findings by the NC were reported to the Board.

The Committees are assessed based on efficiency and effectiveness of each Committee and its members' continuous contribution to the Board and commitment to their roles and responsibilities in discharging their duties. Likewise, the NC is able to assess the contribution of each individual Director to the effectiveness of the Board.

The NC conducted an assessment of the Directors who are subject to retirement at the forthcoming 27th AGM in accordance with the provisions of the Constitution of the Company. After review, the NC then proposed the re-election of the relevant Directors to the Board for its recommendation for shareholders' approval at the forthcoming 27th AGM.

The assessments were facilitated by the Company Secretaries making references to the guides available. All results were presented to the NC for review before being reported to the Board for notation, discussion and further improvements.

Following the annual review, the NC agreed that the Board as a whole and the Committees had performed well and effectively and the overall composition of the Board in terms of size, mix of skills, experience, core competencies and the balance between the Executive Directors, Non-Executive Directors and Independent Directors is appropriate. The Independent Directors had also fulfilled their independent role in corporate accountability through their objective participation in Board deliberations during Board meetings.

Following the review of the overall performance of the Board, Committees and each Director, the NC is of the view that the Board and its Committee had performed effectively whilst giving due commitment to its role.

The Directors are conscious of the importance of keeping abreast with the latest changes and development in legal and regulatory governance so as to update and refresh themselves on matters that may affect their performance as Directors. As part of training and professional development for the Board, the Company ensures that Directors, both on appointment and subsequently are briefed from time to time on changes in regulations, guidelines and accounting standards as well as other relevant trends or issues.

During FY2023, the Company Secretaries and External Auditors provided the Directors with updates on changes in laws and regulations, including the Companies Act 2016, Listing Requirements, MCCG and accounting standards that are relevant to the Group. Presentations from the Group CEO on operations also enhance the Board's knowledge and familiarity with the business.

The seminars and briefings attended by the Directors during FY2023 are as follows:

Directors	Seminars / Workshops / Courses
Lee See Jin	<ul style="list-style-type: none"> • 2023 ESG & Sustainability
Lee Chong Choon	<ul style="list-style-type: none"> • Introduction to Greenhouse Gas Reporting Training • 2023 ESG & Sustainability
Tan Choon Thye	<ul style="list-style-type: none"> • 2023 ESG & Sustainability
Dato' Dr. Juita Binti Ghazalie	<ul style="list-style-type: none"> • Mandatory Accreditation Programme • 2023 ESG & Sustainability
Chang Hui Yui	<ul style="list-style-type: none"> • Mandatory Accreditation Programme • 2023 ESG & Sustainability • Seminar Percukaian Kebangsaan 2022 • The Audit Committee: Unpacking the Roles of the Committee & Honing Its Effectiveness in Discharging Its Responsibilities Holistically

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 2 - BOARD COMPOSITION (Cont'd)

6.1 Assessment on the effectiveness of the Board (Cont'd)

In addition, the Company Secretaries would also notify the Directors of the upcoming conferences and seminars relevant to their roles as Directors of the Company. The Directors are encouraged to upgrade and refresh their skills and knowledge by attending relevant seminars and training programmes on the latest governance and listing rules and regulations, the expenses of which will be borne by the Company.

Upon review, the Board concluded that the Directors' trainings for FY2023 were adequate.

Intended Outcome 7.0

- **The level and composition of remuneration of directors and senior management take into account the desire to attract and retain the right talent in the Board and senior management to drive the long-term objectives of the company.**
- **Remuneration policies and decisions are made through a transparent and independent process.**

7.1 Remuneration Policy

In general, the remuneration is structured so as to link rewards to corporate and individual performance in the case of the Executive Directors and Senior Management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.

The Board does not have any formal remuneration policy. During FY2023, the Board performed its duty to assess annually the remuneration package of its Executive Directors. The Directors' fees and benefits of Directors are recommended by the Board and subject to approval by shareholders at each AGM.

All Directors are paid fixed annual fees which are determined by the Board as a whole and subject to the approval from the shareholders annually. In addition to the fixed annual fees, all Non-Executive Directors are paid meeting allowance for attending meetings.

Pursuant to Section 289 of the Act, the Company may indemnify and directly or indirectly effect insurance for a Director of the Company in respect of any cost incurred by him for any proceedings but not the liabilities for any act or commission in his capacity as a Director. The Directors of the Company have covered under Directors and Officers ("D&O") Liabilities Insurance in respect of liabilities arising from acts committed in their capacity as Directors provided they have not acted negligently, fraudulently or dishonestly, or are in breach of his or her duty of trust.

Under Section 230(1)(b) of the Act, the meeting allowance and D&O Liability Insurance coverage are constituted as a form of benefits payable to the Directors and require the prior approval of the shareholders at the AGM.

7.2 Remuneration Committee

The Board currently has not set up the Remuneration Committee to review the remuneration of the Executive Directors. The Board views that the remuneration of the Executive Directors is a matter for the Board to deliberate upon as a whole based on market conditions, responsibilities held and the corporate and individual performance.

Intended Outcome 8.0

- **Stakeholders are able to assess whether the remuneration of directors and senior management commensurate with their individual performance, taking into consideration the performance of the Company.**

8.1 Details of the remuneration of Directors

Pursuant to Section 230 of the Act, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting.

The Board decided that the Directors' fees for FY2023 shall be maintained as the previous financial year for each Director and recommended for the shareholders' approval at the forthcoming 27th AGM of the Company.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART 2 - BOARD COMPOSITION (Cont'd)

8.1 Details of the remuneration of Directors (Cont'd)

The relevant resolutions in relation to the Directors’ fees and benefits payable to the Directors are to be presented to the shareholders for approval at the forthcoming 27th AGM.

A summary on named basis of each individual director of the remuneration (including benefit-in-kind) of the Directors of the Company for services rendered to the Group for FY2023 is as follows:

Directors	Company					Group				
	Fees RM	Salary & other emolument RM	Bonus RM	Allowance RM	Benefit- in-kind RM	Fees RM	Salary & other emolument RM	Bonus RM	Allowance RM	Benefit- in-kind RM
Executive										
Lee See Jin	60,000	936,000	-	-	16,480	60,000	936,000	-	-	16,480
Lee Chong Choon	60,000	974,400	317,318	-	1,504	60,000	974,400	317,318	-	14,829
Non-Executive										
Tan Choon Thye	60,000	-	-	3,000	-	60,000	-	-	3,000	-
Dato’ Dr. Juita Binti Ghazalie	60,000	-	-	2,000	-	60,000	-	-	2,000	-
Chang Hui Yui	60,000	-	-	2,000	-	60,000	-	-	2,000	-
Dr. Teoh Teik Toe*	45,000	-	-	3,000	-	45,000	-	-	3,000	-
Lim Han Nge*	-	-	-	1,500	-	-	-	-	1,500	-
Chang Kong Foo*	-	-	-	1,500	-	-	-	-	1,500	-
	345,000	1,910,400	317,318	13,000	17,984	345,000	1,910,400	317,318	13,000	31,309

*Note: Mr. Lim Han Nge and Mr. Chang Kong Foo retired on 23 September 2022. Dr. Teoh Teik Toe resigned on 16 May 2023.

8.2 Remuneration of Senior Management

In determining the remuneration packages of the Senior Management, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the performance of the Group, and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.

The Company believes it may not be in its best interest to disclose the information on the remuneration on the named basis of each member of the Senior Management, having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the business activities of the Group.

The remuneration of the Senior Management which is a combination of annual salary, bonus and benefits-in-kind are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance and the overall performance of the Group and benchmarked against other similar size companies operating in similar industry.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 - AUDIT COMMITTEE

Intended Outcome 9.0

- **There is an effective and independent Audit Committee.**
- **The Board is able to objectively review the Audit Committee's findings and recommendations. The financial statement of the company is a reliable source of information.**

9.1 The Chairman of the Audit Committee is not the Chairman of the Board

The Company complied with Practice 9.1 of the MCCG which stipulates that the Chairman of the AC is not the Chairman of the Board.

The AC is chaired by an Independent Non-Executive Director, Mr. Tan Choon Thye who is not the Chairman of the Board.

9.2 Former audit key partner

The TOR of the AC requires the former partner of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

The TOR of AC is set out on the website of the Company.

None of the AC members were former key audit partners of the Company and the Group.

9.3 Suitability, objectivity and independence of the external auditor

The Board has adopted a Policy for the Assessment of the Suitability and Independence of External Auditors which defines the guidelines and procedures to be undertaken by the AC to assess the suitability, objectivity and independence of external auditors.

This is also in accordance with the TOR of the AC to review the annual performance assessment, including the suitability, objectivity and independence of the external auditors.

In FY2023, the AC conducted an annual assessment of the suitability, objectivity and independence of the External Auditors, Messrs. Ernst & Young PLT.

The AC has conducted an annual review of non-audit services provided by the affiliated firm of the external auditors for FY2023 as disclosed in this Annual Report. The AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC has assessed and is satisfied with the competence and independence of the external auditors and has recommended the re-appointment of the external auditors for shareholders' consideration at the forthcoming 27th AGM of the Company.

The Board, on the recommendation of the AC, is of the view that the declaration of independence, integrity, and objectivity made by the external auditors in their audit report for each financial year under review is sufficient to serve as a written assurance from the external auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the independence criteria as set out by the By-Laws of Malaysian Institute of Accountants ("MIA"), and has recommended their re-appointment as the external auditors of the Company for the ensuing year, upon which the shareholders' approval has been sought at the AGM.

Corporate Governance Overview Statement

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)**PART 1 - AUDIT COMMITTEE (Cont'd)****9.4 Composition of the Audit Committee**

Currently, the AC comprises three (3) members, all of whom are Independent Non-Executive Directors. Below is the existing composition of the AC:

Chairman:

Mr. Tan Choon Thye (Independent Non-Executive Director)

Members:

Dato' Dr. Juita Binti Ghazalie (Independent Non-Executive Director)

Ms. Chang Hui Yuin (Independent Non-Executive Director)

This is in compliance with Paragraph 15.09(1)(b) of the Listing Requirements, which stipulates that “all the audit committee members must be non-executive directors, with a majority of them being independent directors”.

The current composition of AC is in line with the Step-Up Practice 9.4 of the MCCG where the AC should comprise solely Independent Directors.

9.5 Qualification of the Audit Committee

All AC members are financially literate and its composition and performance are reviewed by the NC annually and recommended to the Board for its approval.

One (1) of the AC members is a member of the MIA thus fulfilling the requirement under Paragraph 15.09(1)(c)(i) of the Listing Requirements which requires at least one (1) of the AC members to be a member of the MIA.

The AC members acknowledge the need to continuously develop and increase their knowledge in the area of accounting and auditing standards, given the changes and development in this area from time to time.

All members of the AC have undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

PART 2 - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**Intended Outcome 10.0**

- **Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.**
- **The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the objectives of the Company is mitigated and managed.**

10.1 Establishment of risk management and internal control framework

The Board has adopted a risk management framework and ongoing process to assess the various types of risks, which might have an impact on the profitable operation of the business. These include strategic risk, operational risk and project risk. The following outlines the risk management policies of the Group:

- (a) to weigh business decisions against the philosophy that business risks would be necessarily incurred if the associated rewards are expected to enhance the shareholder value;
- (b) to ensure risks that may have a significant impact upon the Group are identified in a manner that would result in their expeditious treatment;

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

PART 2 - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (Cont'd)

10.1 Establishment of risk management and internal control framework (Cont'd)

- (c) to provide reasonable assurance to the stakeholders that the probability of attaining the objectives of the Group would be enhanced by the establishment of an Enterprise Risk Management (“ERM”) framework;
- (d) to establish an environment or platform whereby risk management activities are effectively undertaken;
- (e) to manage risks by adopting best practice methodologies for the identification, analysis, evaluation, reporting, treatment and monitoring of risks; and
- (f) to provide an assurance regarding the extent of the compliance with regulatory requirements and the policies and procedures in place.

The Company had appointed an external consultant to establish the ERM Framework in September 2003. The ERM Framework provides a systematic approach to identify, assess, monitor as well as manage risk across the Group.

The Board through the RMC obtains reports from the internal auditors on the periodic checks on the internal control systems and on-going review of its ERM Framework. In accordance with the ERM Framework of the Group, the RMC oversees the risk management process.

The ERM Framework is aligned with its long-term strategic objectives and is embedded in the daily operations of the individual companies within the Group. This ERM system is an ongoing and systematic process to identify, assess, respond and monitor risks. In accordance with the ERM Framework, the RMC oversees the risk management process.

10.2 Features of its risk management and internal control framework

The details of the internal control system and framework of the Company are set out in the Statement on Risk Management and Internal Control on pages 69 to 71 of this Annual Report.

10.3 Risk Management Committee

The RMC comprises a majority of Independent Directors as follows:

Chairman:

Mr. Lee Chong Choon (Executive Director/Group's CEO)

Members:

Mr. Tan Choon Thye (Independent Non-Executive Director)

Dato' Dr. Juita Binti Ghazalie (Independent Non-Executive Director)

Ms. Chang Hui Yui (Independent Non-Executive Director)

The RMC is responsible for reviewing and recommending the risk management policies and strategies for the Group. It assists the Board to fulfill its corporate governance, risk management and statutory responsibility in order to manage the overall risk exposure of the Group to safeguard shareholders' investment and the assets of the Company.

Corporate Governance Overview Statement

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)**PART 2 - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (Cont'd)****Intended Outcome 11.0**

- **Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.**

11.1 Internal audit function**11.2 Internal Audit Effectiveness Review**

In order for the Company to maintain sound systems of internal controls, the Group has established an Internal Audit Department (“IAD”), whose internal audit function is independent of the business activities, operating entities and divisions. Its principal activities include undertaking regular and systematic audits of the operating entities and divisions, reviewing and testing the system of internal controls including ERM and governance processes so as to provide independent and objective assurance that such systems are effective and are operating satisfactorily.

The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the framework in designing, implementing and monitoring its internal control system.

The IAD’s operation is guided by Internal Audit Charter which was approved by the AC. Audit engagement focuses on areas of priority according to their annual risk assessment and in accordance with the annual strategic audit plans approved by the AC.

The key duties and responsibilities undertaken by IAD include:

- review and appraise the soundness and adequacy of internal control
- ascertain the extent of compliance with internal policies, procedures and standard
- identify opportunities for process and internal control improvement
- coordinate ERM activities
- review compliance with applicable rules and regulations
- carry out special ad-hoc audit at AC and/or Management’s request

The Head of the IAD attends AC meetings and reports directly to the AC on the annual internal audit plan and internal audit reports on the audit conducted in accordance with the annual internal audit plan.

During FY2023, the internal auditors presented their internal audit reports to AC and Management regarding any major audit findings on the weaknesses in the system and controls of the operation. Areas for improvement were highlighted and the implementation of recommendations were monitored. None of the internal control weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The total cost for maintaining the internal audit function in respect of FY2023 was RM0.38 million.

As of 30 April 2023, the IAD consists of three (3) audit personnel and is headed by Mr. P’ng Ching Chong.

Mr. P’ng Ching Chong holds a Bachelor of Commerce Degree with Double Major in Finance and Accounting from Deakin University in Australia and is a member of the Institute of Internal Auditors Malaysia.

During FY2023, the AC assessed and reviewed the adequacy of the scope, functions, resources, competency and independence of the IAD. The AC is satisfied that the IAD has sufficient resources, staffed by suitably qualified and experienced personnel and has to the best of its ability maintained its independence in carrying out the internal audit function.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART 1 - COMMUNICATION WITH STAKEHOLDER

Intended Outcome 12.0

- **There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.**
- **Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.**

12.1 Effective, transparent and regular communication with its stakeholders

The Company recognises that strengthening the relationship between the Company and its shareholders is an important aspect of upholding the principles and best practices of corporate governance. The Company aims to strengthen the mutual relationship with its shareholders and investors to maintain a high level of shareholder and investor confidence and to ensure stable and longer-term value creation.

The website of the Company incorporates an "Investor Relations" section where the industry outlook and the performance of the Group would be captured for the investors' notation. Under the corporate webpage, announcements released by the Company to Bursa Securities are captured under the "Announcement" section. The public can also access corporate information, financial information, Annual Reports, Share Buy-Back Statements, corporate governance matters and other corporate policies. The investors are provided with sufficient business, operations and financial information on the Group to enable them to make informed investment decisions.

Investor relations activities such as meetings with fund managers and analysts are held at appropriate time to explain the strategy, performance and major developments of the Group.

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the Listing Requirements but also in line with the MCCG to strengthen engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital for its shareholders and investors to make informed investment decisions.

The Annual Report remains a vital and convenient source of essential information for investors, shareholders and stakeholders. Annual Reports of the Company are made available on the corporate website.

Another key avenue of communication with its shareholders is the AGM, which provides a useful forum for shareholders to engage directly with the Directors. The Board attends the AGM which gives individual shareholders the opportunity to engage directly with them and raise questions about the Company. The external auditors are also present at the AGM to answer any questions that the shareholders may ask. After the meeting, the shareholders, proxies and corporate representatives are also able to mingle with the Directors.

PART 2 - CONDUCT OF GENERAL MEETINGS

Intended Outcome 13.0

- **Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.**

13.1 Notice for an Annual General Meeting

General meeting serves as a principal platform for the Board and Senior Management to engage with shareholders and encourage effective shareholder communication on the performance, corporate and business developments of the Company and any other matters affecting shareholder interests.

In line with good corporate governance practice, the notice of the 26th AGM was issued to shareholders on 25 August 2022, more than 28 days prior to the said AGM held on 23 September 2022, to provide the shareholders with sufficient time to consider the resolutions that would be discussed and decided at the 26th AGM.

Corporate Governance Overview Statement

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)**PART 2 - CONDUCT OF GENERAL MEETINGS (Cont'd)****13.1 Notice for an Annual General Meeting (Cont'd)**

The notice of AGM was also published in the nationally circulated daily newspaper within the mandatory period and in the announcement of the Company via Bursa Securities as well as the website of the Company.

The notice of AGM provides further explanation beyond the minimum content stipulated in the Listing Requirements for the resolutions proposed along with any background information and reports or recommendation, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.

To further promote participation of members through proxy(ies), which is in line with the insertion of Paragraph 7.21 of the Listing Requirements, the Constitution of the Company includes explicitly the right of proxies to speak at general meetings, to allow a member who is an exempt authorised nominee to appoint multiple proxies for each omnibus account it holds and to disallow any restriction on proxy's qualification.

13.2 Attendance in General Meetings

All six (6) members of the Board, the Company Secretary, External Auditors and the Senior Management had attended the 26th AGM to engage directly with the shareholders.

The general meeting serves as an avenue for the Chairman and the Board members to engage in two-way communication with shareholders where the shareholders are encouraged to participate in the question-and-answer session with the Board personally and exercise their right to vote on the proposed resolutions.

All Board members, particularly the chairperson of each Committee endeavoured to attend general meetings to facilitate engagement with shareholders and to address any relevant questions and concerns raised by the shareholders. The external auditors presented at all the AGM to respond to any queries from shareholders on the audit conducted, the preparation and content of the auditors' report, the accounting policies adopted by the Company, and the independent audit review of the financial position of the Company.

13.3 Voting

Pursuant to the Listing Requirements, all listed companies are required to conduct poll voting for the resolutions put up at its general meeting effective from 1 July 2016.

Poll voting more accurately and fairly reflects shareholders' views by ensuring that every vote is recognised, in accordance with the principle of "one share one vote". The practice thus enforces greater shareholder rights and allows shareholders who appoint the Chairman of the Meeting as their proxy to have their votes properly counted in the fulfilment of their voting rights.

The Constitution of the Company allows poll voting to be conducted electronically using various forms of electronic voting devices. In this respect, the Company has leveraged the technology by conducting poll voting for all the resolutions tabled at the 26th AGM held on 23 September 2022 through electronic devices for greater efficiency and accuracy.

The Company had appointed a Poll Administrator to conduct the polling process and another independent scrutineer to validate the votes cast and the results of each resolution put to vote were announced at the meeting. An announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages was announced via Bursa Securities website after the conclusion of the general meeting.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

PART 2 - CONDUCT OF GENERAL MEETINGS (Cont'd)

13.4 Meaningful engagement between Board, Senior Management and Shareholders

At the 26th AGM, all the Directors were present in person to engage directly with the shareholders. The Chairman ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question-and-Answer session. The Directors had actively responded to relevant questions addressed to them. The representatives from external auditors were also present to respond to queries raised by shareholders.

In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 26th AGM together with the responses of the Company.

13.5 Minutes of General Meeting

The AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders, as it encompasses a two-way discussion on the performance of the Company in the past year and its plans and strategies for the near and long-term future.

The recording of the proceedings in the form of minutes reflects the mutual understanding, agreements as well as resolutions reached at the AGM.

The minutes of the 26th AGM detailing proceedings and issues or concerns raised by shareholders and the responses by the Company were made available on the website of the Company within 30 business days after the conclusion of the AGM. The minutes provide useful information to shareholders and investors especially for the shareholders who were unable to attend to keep track of the AGM.

This Statement is made in accordance with a resolution of the Board dated 7 August 2023.

Audit Committee Report

The Board of Directors ("the Board") of NTPM Holdings Berhad ("NTHB" or "the Company") is pleased to present the Audit Committee ("AC") Report which provides insights into the manner the AC discharged its functions for NTHB and its subsidiaries ("the Group") for the financial year ended 30 April 2023 ("FY2023").

Introduction

The AC was established on 29 January 2003 to assist the Board in fulfilling its responsibilities with respect to its oversight responsibilities. The AC is committed to its role in ensuring the integrity of the Group's financial reporting process, monitoring the management of risk and system of internal control, external and internal audit process, compliance with legal and regulatory matters and other matters that may be specifically delegated to the AC by the Board.

Composition

The present composition of the AC is made up of three (3) members of the Board, all of whom are Non-Executive Directors ("NEDs"), of which three (3) are independent NEDs. This meets the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

The AC members are as follows:

Name of Member	Status of Directorship
Tan Choon Thye ^(a) Chairman	Independent Non-Executive Director
Dato' Dr. Juita Binti Ghazalie ^(b) Member	Independent Non-Executive Director
Chang Hui Yuin ^(b) Member	Independent Non-Executive Director
Chang Kong Foo ^(c) Former Chairman	Independent Non-Executive Director
Lim Han Nge ^(d) Former Member	Senior Independent Non-Executive Director
Dr. Teoh Teik Toe ^(e) Former Member	Non-Independent Non-Executive Director

Notes:

- (a) Re-designated as AC Chairman on 23 September 2022
- (b) Appointed as an AC member on 23 September 2022
- (c) Retired from the Board and ceased to be the AC Chairman as of 23 September 2022
- (d) Retired from the Board and ceased to be an AC member as of 23 September 2022
- (e) Resigned as a Board member and ceased to be an AC member as of 16 May 2023

Mr. Tan Choon Thye holds a Bachelor of Electrical Engineering (Honours) and Master of Business Administration from the University of Hawaii. None of the AC members is the Alternate Director of the Company or a former partner of the external audit firm of the Group.

All the members of the AC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the AC. Ms. Chang Hui Yuin is a member of the Malaysian Institute of Accountants ("MIA") and as such meets the requirements of Paragraph 15.09(1)(c) of the MMLR. Dato' Dr. Juita Binti Ghazalie has extensive experience in public health and was appointed as a Director of Hospital Pulau Pinang, Hospital Bahiyah Alor Setar and Perak State Health Department.

The Chairman of the AC is not the Chairman of the Board. The composition of the Committee is in line with Practice 9.1 under the Malaysian Code on Corporate Governance ("MCCG").

Audit Committee Report

AC Meetings

The AC meets at least quarterly with additional meetings convened as and when necessary.

During FY2023, the AC held six (6) meetings and the details of attendance of each member are as follows:

AC	No. of AC Meetings held during FY2023	No. of AC Meetings attended	% of Attendance
Tan Choon Thye	6	6	100
Dato' Dr. Juita Binti Ghazalie	3	3	100
Chang Hui Yui	3	3	100
Chang Kong Foo	3	3	100
Lim Han Nge	3	3	100
Dr. Teoh Teik Toe	6	6	100

The AC meetings were appropriately structured where the agenda and meeting papers encompassing qualitative and quantitative information relevant to the business of the meetings are distributed via collaborative software to the AC members at least five (5) days prior to the meetings. The AC meetings were of adequate length to allow the AC to accomplish its agenda with sufficient time to discuss emerging issues.

The AC conducts its meetings in an open and constructive manner and encourages focused discussion, questioning and expressions of differing opinions. The AC Chairman invites the Executive Directors and representatives from the Internal Auditors or External Auditors to assist in the AC's discussions and consideration of the reports or any outstanding matters or specific issues that require the AC's attention in relation to the internal and external audit reviews and improvement recommendations and to answer questions raised by AC members. Key Finance personnel also attends the AC meetings to present the unaudited quarterly and annual financial statements, as well as other financial reporting related matters for the AC's deliberation and recommendation to the Board for approval, where appropriate.

At each Board meeting, the AC Chairman will report and highlight the key issues discussed at each AC meeting to the Board accordingly. All proceedings of the AC meetings are duly recorded in the minutes of the meeting and the signed minutes are properly kept at the Registered Office. Minutes of each meeting are tabled for confirmation at the following AC meeting.

Authority and Responsibilities of the AC

The AC is governed by its terms of reference ("TOR") which is available on the Company's website at <https://www.ntpm.com.my>.

Summary of Activities

During FY2023, the AC carried out the following activities in discharging its function, duties and responsibilities:

Financial Reporting

- Reviewed the quarterly unaudited consolidated financial results and annual audited financial statements of the Company and the Group together with the Executive Directors and key Finance personnel as well as the External Auditors, focusing particularly on significant changes to accounting policies and practices, going concern assumptions, adjustments arising from the audits, compliance with the relevant accounting standards and other legal requirements to ensure that the financial statements presented a true and fair view of the Group's financial performance before recommending them to the Board for their consideration and approval; and
- Reviewed and deliberated on audit issues raised by the External Auditors and the action plans required to address those issues.

Audit Committee Report

Risk Management and Internal Control

- Reviewed the Group's Enterprise Risk Management ("ERM") Summary Report on a quarterly basis, with a focus on the risks identified and the status of the risk management process implemented to facilitate the identification, assessment, evaluation, monitoring and management of risks and to ensure that all major risks are well managed;
- Reviewed the adequacy and effectiveness of the policies and procedures and system of internal control to monitor and manage risks in specific areas;
- Reviewed the Group's risk rating and control of the updated risk registers prepared by the respective Risk Management Units ("RMU");
- Received, reviewed and deliberated on the reports of all RMUs after they had been reviewed by the Risk Management Committee;
- Reviewed and recommended to the Board the steps to improve the Company's internal control system derived from the findings of the Internal Auditors and External Auditors;
- Reviewed the current practice of foreign exchange transaction exposure and discussed the necessity to revise the Group's policy regarding foreign exchange transactions; and
- Reviewed and monitored the foreign currency transactions to ensure conformance with the Group's policy.

Internal Audit

- Reviewed and approved the Internal Audit ("IA") Plan for the financial year ending 30 April 2024 on 6 March 2023 as tabled by the Internal Auditors after considering the adequacy of scope and comprehensiveness of the coverage of activities within the Group, as well as the adequacy of resources in the IA Department ("IAD");
- Reviewed status reports from the Internal Auditors, including their audit recommendations and suggestions for improvement and the Management's responses and directed the Management to rectify and improve control and workflow procedures in order to be satisfied that appropriate action had been taken;
- Reviewed the ERM reports, the system of internal control and the appropriateness of the Management's responses to key risk areas and proposed recommendations for improvements; and
- Evaluated the effectiveness of IA function in respect of risks management, internal control and governance processes.

External Audit

- Deliberated on the External Auditors' report at its meeting with regards to the relevant disclosures in the annual audited financial statements for FY2023;
- Reviewed the External Auditors' audit plan for FY2023 on 13 March 2023 outlining their scope of work and proposed fees for the statutory audit, together with assurance-related fees for their review of the Statement on Risk Management and Internal Control;
- Reviewed the External Auditors' findings arising from audits, particularly comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action has been taken;
- Met with the External Auditors on 13 March 2023 without the presence of the Executive Directors and management to reinforce the independence of the External Audit function of the Company. The AC Chairman also invited the External Auditors to contact him any time should they become aware of incidents or matters in the course of their audits or reviews that needed his attention or that of the AC or Board;

Audit Committee Report

External Audit (Cont'd)

- Sought for itself and the Board, confirmation from the External Auditors in accordance with the Assessment of the Suitability and Independence of External Auditors duly approved by the Board where the External Auditor has given a written assurance that they were not aware of any relationships or matters that, in their professional judgement, might reasonably be thought to bear on their independence; and that they were independent in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of MIA, throughout their audit engagement for FY2023; and
- Evaluated the performance and effectiveness of the External Auditors for FY2023, covering the following areas: - (i) calibre; (ii) quality processes/performance, (iii) audit team, (iv) independence and objectivity, (v) audit scope and planning, (vi) audit fees and (vii) audit communication. The AC, being satisfied with the External Auditors' performance for FY2023, has recommended to the Board for the re-appointment of the External Auditors at the next Annual General Meeting.

Related Party Transactions

- Reviewed and discussed the reports of the related party transactions and possible conflict of interest transactions to ensure that all related party transactions were undertaken on an arm's length basis and on normal commercial terms; and
- Reviewed and discussed the recurrent related party transactions on a quarterly basis to ensure that they were undertaken on an arm's length basis and on normal commercial terms not more favorable to the related party than those generally available to the public.

Corporate Governance

- Reviewed the impact of the relevant regulatory changes and ensured compliance by the Company and the Group; and
- Reviewed and recommended the AC Report, Statement on Risk Management and Internal Control for FY2023 for inclusion in the Annual Report to ensure the contents therein are accurate and in compliance with the MMLR to the Board for approval.

During FY2023, the AC members have sufficient resources available to discharge their responsibilities. The AC not only has access to any information that it needs, but also has the right to seek independent advice and the power to investigate any matter within the ambit of its authority.

Internal Audit Function

The IA function of the Group is carried out by its IAD which was established on 19 December 2003 to review the adequacy and integrity of its system of internal control.

The major role of the IAD is to assist the AC in discharging its duties and responsibilities and provide independent and reasonable assurance that the systems of internal control are adequate and effective. It assists the Group in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

During FY2023, the work of audits conducted by the IAD were as follows:

- Performed EMS (Environmental Management System) 14001, and QMS (Quality Management System) audits;
- Reviewed and monitored the related party transactions to ascertain that the current procedures adopted by the Management are in line with the MMLR;
- Conducted a self-assessment of the internal audit function, as part of a Quality Assurance and Improvement Programme;

Audit Committee Report

Internal Audit Function (Cont'd)

- Reviewed the adequacy and effectiveness of internal control, the extent of compliance with the established Group policies, procedures and statutory requirements. The review encompassed the business units situated in Selangor, Penang, Perak, Pahang, Johor, Melaka, Kelantan, Sabah, Sarawak, and Thailand and manufacturing plants located at Nibong Tebal and Vietnam. The review was in respect of the following system and processes, where applicable:
 - i. Inventory Management;
 - ii. Credit Management;
 - iii. Petty Cash Management (surprise petty cash counts were conducted throughout the financial year);
 - iv. Production Management;
 - v. Information Technology Security Management;
 - vi. Sales and Distribution Cycle;
 - vii. Safety and Health Management;
 - viii. Quality Assurance and Quality Control Management;
 - ix. Human Resources Management;
 - x. Trade Debtors Verification;
 - xi. Compliance Management;
 - xii. Security Management; and
 - xiii. Property, Plant and Equipment (PPE) Management Control
- Prepared the annual IA plan and schedule based on principal risks; and
- Attended AC meetings to present, discuss and table the IA reports which incorporate findings and issues, on a quarterly basis and acted on suggestions made by the AC members in relation to the over operations or systems of internal control. A total of 21 IA reports were issued in FY2023.

In addition, risk-based audits were carried out based on the selected risks which had been identified during the ERM assessment through the IA compliance verification in all RMU. The IAD also assisted in the process of risk management such as coordinating the review of all risks and controls which were previously assessed by a professional firm as well as identifying new risks and controls relevant to the operations of the Group. The ERM Summary Reports on registered risks were reviewed by the Risk Management Committee and then presented to the AC by the IAD during the quarterly meeting on a rotational basis.

The cost incurred for maintaining the IA function of the Group for FY2023 was RM0.38 million.

The IAD has a headcount of three (3) IA personnel and is headed by Mr. P'ng Ching Chong during FY2023. The AC had full and direct access to the Internal Auditors. The AC received reports for all IA engagements and ensured the internal audit personnel are free from any relationship or conflict of interest which could impair their objectivity and independence.

Mr. P'ng Ching Chong holds the Bachelor of Commerce Degree with Double Major in Finance and Accounting from Deakin University in Australia and is a member of the Institute of Internal Auditors Malaysia.

IAD had confirmed its organisational independence to the AC. The Head of IA and all the Internal Auditors have signed the Annual Code of Ethics and Conflict of Interest Declaration that they had been independent, objective and in compliance with the Code of Ethics and Conflict of Interest in accordance with the International Professional Practices Frameworks ("IPPF") in carrying out their duties in FY2023.

Performance of AC

The term of office and performance of the AC and each of its members are assessed annually by the Nominating Committee ("NC"). The NC reports the outcome of its assessment to the Board. For FY2023, the Board was satisfied that the AC has discharged its duties and responsibilities in accordance with the TOR of the AC.

This Statement is made in accordance with the resolution of the Board dated 7 August 2023.

Statement on Risk Management and Internal Control

Introduction

Pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), the Board of a listed issuer is required to include in its annual report, a statement on the Group’s risk management and internal control. The Board recognises its responsibilities for and the importance of a sound system of risk management and internal control. Set out below is the Board’s Statement on Risk Management and Internal Control (“Statement”), which provides an overview of risk management and internal control system of the Group for the financial year ended 30 April 2023 (“FY2023”).

Board Responsibility

The Board recognises the importance of the Group having a sound system of internal control as well as risk management practices, and affirms its overall responsibility of reviewing the adequacy and effectiveness of the risk management and internal control system of the Group. The Board has via the Audit Committee (“AC”) obtained the necessary assurance on the adequacy and effectiveness of risk management and internal control system of the Group through ongoing and independent reviews carried out by the internal audit function.

Due to the inherent limitations in the system of internal control, the system is only able to manage rather than eliminate all the possible risks. Thus, the system can provide reasonable, and not absolute, assurance against material misstatement or loss.

KEY COMPONENTS OF INTERNAL CONTROL PROCESSES

Risk Management Framework

The Board has put in place a risk management framework and ongoing process to assess the various types of risks, which might have an impact on the business operations and profitability of the Group. These include strategic risks, operational risks and project risks.

The following outlines the risk management policies of the Group:

- a) to weigh business decisions against the philosophy that business risks would be necessarily incurred if the associated rewards are expected to enhance the shareholders’ value;
- b) to ensure risks that may have a significant impact on the Group are identified in a manner that would result in their expeditious treatment;
- c) to provide reasonable assurance to the stakeholders of the Group that the probability of attaining the objectives of the Group would be enhanced by the establishment of an Enterprise Risk Management (“ERM”) framework;
- d) to establish an environment or platform whereby risk management activities are effectively undertaken;
- e) to manage risks by adopting best practice methodologies for the identification, analysis, evaluation, reporting, treatment and monitoring of risks; and
- f) to provide an assurance regarding the extent of compliance with regulatory requirements and the policies and procedures in place.

The ERM framework is aligned with its long-term strategic objectives and embedded in the daily operations of the business units within the Group. This ERM system is an ongoing and systematic process to identify, assess, respond and monitor risks.

In accordance with the Malaysian Code on Corporate Governance, the Board has established its Risk Management Committee (“RMC”) to oversee the risk management process of the Group. The RMC consists of three (3) Independent Directors and the Group Chief Executive Officer (“Group CEO”).

Statement on Risk Management and Internal Control

KEY COMPONENTS OF INTERNAL CONTROL PROCESSES (Cont'd)

Risk Management Framework (Cont'd)

Each business unit has its own Risk Management Unit ("RMU") which consists of managers and key employees. Each RMU is tasked to identify major business and compliance risks concerning their respective business units. Each RMU is also tasked to oversee and ensure integration of risk management into their business processes to safeguard the interest of the Group. These include risk areas such as strategies operations, manufacturing processes, sales, human resources, finance and compliance procedures. Risks are identified and assessed by employing the following methodologies:

- Identification of risks by the process owners;
- Assessment of the likelihood and impact of the risks identified;
- Evaluating the control strategies in relation to the risks;
- Formulating action plans to address control deficiencies; and
- Setting Key Risk Indicators to monitor the risks.

Formal database of risks and controls information arising from the quarterly risk assessment exercise is captured in the format of risk registers. The identified risks are assessed and rated from Low, Moderate, High and Significant depending upon the severity of consequence the likelihood of its occurrence and the financial impact on the cash flow and profit of the Group. The RMU of each business unit reports to the RMC via the Internal Auditors, acting in the capacity as the Risk Management Co-Ordinator. The RMC will evaluate the reports from the RMUs for adoption. At the date of this report, the Group has a total of thirty-three (33) residual risk profiles out of which fourteen (14) are classified as either High or Significant.

Board Meetings

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Chairman cum Managing Director leads the presentation of board papers while the Group CEO provides explanations of pertinent issues. Additionally, the Group CEO updates the Board on key business and operational issues such as the result and growth of the key products, business plan, corporate affairs and prospects. In arriving at any decision, on recommendation by the Management, a thorough deliberation and discussion by the Board is a prerequisite.

Organisational Structure

There exists a clearly defined organisational structure with defined lines of job responsibilities and delegation of authority. This will assist in ensuring that effective communication of risk control objectives as well as establishment of authority and accountability is in accordance with Management criteria.

In addition, the Board Committees namely the AC, Nominating Committee, RMC and Investment Committee provide essential support to the Board. They are made up predominantly of non-executive directors and have defined terms of reference and function.

Internal Policies and Procedures

Internal policies and procedures have been developed throughout the Group. The policies and procedures are updated timely to incorporate changes to systems, working environment and guidelines.

There are also documented Limits of Approving Authority for key aspects of the businesses. This provides a sound framework of authority and accountability within the organisation and facilitates proper corporate decision-making at the appropriate level in the organisational hierarchy.

Performance Management Framework

Management reports are generated on a regular and consistent basis to facilitate the financial and operational reviews on the various operating units by the Board and the Management of the Group. The reviews encompass areas such as financial and non-financial key performance indicators, variances between budgeted and operating results and compliance with laws and regulations. The Group has in place a budgeting process that provides a responsibility accounting framework.

The functional limits of authority for revenue and capital expenditure for all operating units facilitate the approval process whilst keeping potential exposure in check.

Statement on Risk Management and Internal Control

KEY COMPONENTS OF INTERNAL CONTROL PROCESSES (Cont'd)

Internal Audit

The AC is responsible for reviewing and monitoring the adequacy and effectiveness of the Group's system of internal control. The review and monitoring of the adequacy and effectiveness of the system of internal control are carried out through the internal audit function. The internal audit function assists the AC to achieve the following objectives:

- assessing and reporting on the effectiveness of the risk management and internal control system;
- assessing and reporting on the reliability of systems and information;
- assessing and reporting on the operational efficiency of various business units and departments within the Group and identifying cost saving potentials, where practical; and
- reviewing compliance with the Group policies, standing instructions and guidelines as well as applicable laws and regulations.

The internal auditors' principal responsibility is to evaluate and improve the effectiveness of risk management, control and governance process. This is accomplished through a systematic and disciplined approach of regular review and appraisal of internal controls in the key business activities implemented by the Management.

The results of internal audits are reported on a quarterly basis to the AC and the report is a permanent agenda in the meetings of the Board. The responses of the Management team to each internal audit recommendation and action plan therein, are regularly reviewed and followed up by the internal audit team and reported to the AC. For the financial year under review, the internal audit team conducted twenty-one (21) internal audits across various corporate functions, warehouses and business units. Observations arising from the internal audit, together with the responses of the management team and proposed action plans, are presented to the AC for its review and approval.

The Internal Auditors focus on areas of priority according to their annual risk assessment and in accordance with the annual audit plan approved by the AC. The AC holds regular meetings with both Internal and External Auditors to discuss findings and adopt recommendations proposed by both parties.

REVIEW OF THIS STATEMENT

The Internal Auditors have reviewed the Statement for FY2023 and reported to the AC that all internal control weaknesses identified during the course of its audit assignments for FY2023 have been, or are being, addressed and that none of the weaknesses have resulted in any material losses, contingencies or uncertainties that require disclosure in the Annual Report of the Company.

The Board has received assurance from the Group CEO that the risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the Annual Report of the Group for F2023 and reported to the Board that nothing has come to their attention that caused them to believe that the Statement, in all material aspects, is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control system.

The Board is of the view that the ERM and system of internal control in place for the FY2023 and up to the date of approval of this report is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators, employees and other stakeholders of the Group.

This Statement is made in accordance with the resolution of the Board dated 7 August 2023.

Additional Compliance Information

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. UTILISATION OF PROCEEDS

During the financial year ended 30 April 2023, the Company did not raise any funds through any corporate proposal.

2. AUDIT AND NON-AUDIT FEES

Audit fees paid or payable to external auditors by the Company and by the Group for the financial year ended 30 April 2023 amounted to RM119,780 and RM518,527 respectively.

Non-audit fees paid or payable to external auditors by the Company and by the Group for the financial year ended 30 April 2023 both amounted to RM14,840 and RM14,840 respectively.

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Other than those related party transactions disclosed in Note 27 to the financial statements, there were no material contracts outside the ordinary course of business, including contract relating to loan, entered into by the Company and/or its subsidiaries involving Directors and major shareholders that are still subsisting at the end of the financial year or which were entered into since the end of the previous financial year.

Statement of Directors' Responsibility in Relation to the Financial Statements

The Board of Directors ("Board") is required under the Companies Act 2016 ("Act") to prepare the annual financial statements of the Group and of the Company which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and of their financial performance and their cash flows for that year then ended. Pursuant to Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the Board is required to issue a statement explaining its responsibility for preparing the annual audited financial statements.

In preparing the financial statements for the financial year ended 30 April 2023, the Board considers that:

- (i) all applicable approved accounting standards in Malaysia, such as Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs") have been followed;
- (ii) the Group and the Company have used appropriate accounting policies and have consistently applied them;
- (iii) reasonable and prudent judgments and estimates were made; and
- (iv) the financial statements were prepared on the going concern basis as the Board has a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Board is responsible for ensuring that the Group and the Company maintain proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Act, MMLR and applicable approved accounting standards in Malaysia.

The Board has general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

This Statement of Directors' Responsibility in relation to the Financial Statements is approved by the Board on 7 August 2023.

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2023.

Principal activities

The principal activities of the Company are investment holding and provision of information technology support and management services.

The principal activities of the subsidiaries are described in Note 13 to the financial statements.

Other information relating to the subsidiaries are disclosed in Note 13 to the financial statements.

Results

	Group RM	Company RM
(Loss)/Profit net of tax	<u>(5,881,411)</u>	<u>10,736,000</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

Dividends

The amount of dividends paid by the Company since 30 April 2022 were as follows:

	RM
Single tier first interim dividend of 0.80 sen per ordinary share declared on 23 September 2022 and paid on 28 October 2022	<u>8,984,320</u>

The directors do not recommend the payment of any final dividend for the current financial year.

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Lee See Jin #	
Lee Chong Choon #	
Tan Choon Thye*	
Chang Hui Yui*	(appointed on 23 September 2022)
Dato' Dr. Juita Binti Ghazalie*	(appointed on 23 September 2022)
Nishant Grover	(appointed on 20 June 2023)
Dr. Teoh Teik Toe	(resigned on 16 May 2023)
Lim Han Nge	(retired on 23 September 2022)
Chang Kong Foo	(retired on 23 September 2022)

These directors are also directors of the Company's subsidiaries.

* Being a member of the Audit Committee.

Directors' Report

Directors (Cont'd)

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report, not including those directors listed above, are:

Lee Chong Chat
Lee Hooi Fung
Lee Chong Loo
Foo Say Hai
Tan Chee Seng
Thamrong Pattampass
Lee Ying Yi
Lee Kuan Pheng
Lee Kuang Chien

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 27 to the financial statements.

During the financial year, the benefits received and receivable by the directors of the Group and of the Company are as set out below:

	Group RM	Company RM
Directors of the Company		
Executive directors' remuneration:		
Fees	120,000	120,000
Salaries and other emoluments	2,227,718	2,227,718
Benefits-in-kind	31,309	17,984
	<u>2,379,027</u>	<u>2,365,702</u>
Non-executive directors' remuneration:		
Fees	225,000	225,000
Other emoluments	13,000	13,000
	<u>238,000</u>	<u>238,000</u>
Directors of subsidiaries of the Company		
Executive directors' remuneration:		
Fees	125,114	-
Salaries and other emoluments	4,485,994	2,150,702
Benefits-in-kind	65,098	3,440
	<u>4,676,206</u>	<u>2,154,142</u>
Non-executive directors' remuneration:		
Fees	30,336	-
	<u>7,323,569</u>	<u>4,757,844</u>

Directors' Report

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

Directors of the Company

	Number of ordinary shares			
	1 May 2022/ Date of appointment	Bought	Sold	30 April 2023
The Company				
Direct				
Lee See Jin	326,220,949	1,437,800	-	327,658,749
Lee Chong Choon	132,111,197	-	-	132,111,197
Dr. Teoh Teik Toe	8,600,000	100,000	-	8,700,000
Chang Hui Yui	100,000	-	-	100,000
Indirect				
Interest of Spouse/Children of the Directors*				
Lee See Jin	138,421,142	-	-	138,421,142
Tan Choon Thye	353,700	-	-	353,700

* Disclosure pursuant to Section 59(11)(c) of the Companies Act 2016.

Directors of the subsidiaries of the Company

	Number of ordinary shares			
	1 May 2022	Bought	Sold	30 April 2023
The Company				
Direct				
Lee Hooi Fung	180,000	-	-	180,000
Foo Say Hai	1,060,100	-	-	1,060,100
Tan Chee Seng	3,000	-	-	3,000
Lee Kuang Chien	119,200	-	(119,200)	-

Lee See Jin, by virtue of his interests in shares in the Company, is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

The other director of the Company in office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

Indemnities to directors and officers

The directors and officers of the Company are covered by the Directors and Officers Liability Insurance which is maintained on a group basis by the Company in respect of liabilities arising from acts committed in their respective capacity as, inter alia, directors and officers of the Group subject to the terms of the policy. The total amount of Directors and Officers Liability Insurance effected for the directors and officers of the Group during the year was RM15 million whilst the total amount of premium paid was RM23,330.

Directors' Report

Other statutory information

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfy themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts in the financial statements of the Group. The directors have also satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary in the financial statements of the Company; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group inadequate to any substantial extent nor are they aware of any circumstances which would render it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Directors' Report

Auditors and auditors' remuneration

The auditors, Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039, have expressed their willingness to continue in office.

Auditors' remuneration for the Group and the Company are as set out below:

	Group RM	Company RM
Ernst & Young PLT	386,900	143,100
Other member firms of Ernst & Young Global Network	139,779	-
Other auditors	15,168	-
	<u>541,847</u>	<u>143,100</u>

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 August 2023.

Lee See Jin

Lee Chong Choon

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Lee See Jin and Lee Chong Choon, being two of the directors of NTPM Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 85 to 156 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2023 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 August 2023.

Lee See Jin

Lee Chong Choon

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lee Chong Choon, being the director primarily responsible for the financial management of NTPM Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 85 to 156 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Lee Chong Choon
at Georgetown in the State of Penang
on 21 August 2023.

Lee Chong Choon

Before me,

Tan Cheng Kuan

(No. P195)

Commissioner for Oaths

Independent Auditors' Report

to the members of NTPM Holdings Berhad (Incorporated in Malaysia)

Report on the financial statements

Opinion

We have audited the financial statements of NTPM Holdings Berhad which comprise the statements of financial position as at 30 April 2023 of the Group and of the Company, and income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 85 to 156.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition and customer rebates

(Refer to Note 2.19, Note 3.2, Note 4 and Note 20 to the financial statements)

During the financial year, the Group recognised total revenue of RM868 million consisting of mainly revenue derived from sales of tissue paper products and sales of personal care products which amounted to approximately RM619 million and RM249 million respectively.

Revenue is recognised net of customer rebates. Customer rebates are recognised based on the expected entitlements earned up to the reporting date under each customer's trading agreement and promotion runs. Certain customer rebates are triggered when certain conditions are met. The amount payable is based on the conditions achieved, multiplied by rates contracted with each customer in their trading agreements.

We identified revenue recognition to be an area of audit focus as we consider the magnitude and high volume of transactions to be a possible cause of a higher risk of material misstatements in respect of the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue. We also identified customer rebates to be an area of audit focus due to the higher risk of material misstatement in respect of the timing and amount of the customers' rebates recognised.

Independent Auditors' Report
to the members of NTPM Holdings Berhad (Incorporated in Malaysia)

Report on the financial statements (Cont'd)

Key audit matters (Cont'd)

Revenue recognition and customer rebates (Cont'd)

Our audit procedures include, amongst others, the following:

- (a) We obtained an understanding of the Group's relevant internal controls over the timing and amounts of revenue recognised;
- (b) We tested the relevant internal controls in place to address timing and amount of revenue recognised;
- (c) We inspected the terms and conditions of the sales contracts on a sampling basis to assess the appropriateness of the timing of revenue recognised;
- (d) We inspected documents evidencing the delivery of goods to customers on a sampling basis. For a subsidiary, we used data analytics to perform correlation analysis between revenue, trade receivables and cash and bank balances;
- (e) We tested the recording of sales transactions close to the year end, including credit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period; and
- (f) In respect of customers' rebates, we obtained an understanding of the Group's relevant internal controls over the timing and amounts of customer rebates. For the major customers, we inspected on a sampling basis, the terms of sales agreements to determine the customer's eligibility and the agreed rates. We also tested the computation of the customer rebates.

Valuation of inventories

(Refer to Note 2.12 and Note 15 to the financial statements)

As at 30 April 2023, the Group held an inventory balance of RM267 million, representing 25% of the Group's total assets.

Inventories are carried at the lower of cost and net realisable value ("NRV"). The cost of production comprises the cost of purchase of raw materials, labour costs, plus conversion costs such as variable and fixed overhead costs. The Group's manufacturing arm uses standard costing in measuring its work in progress and finished goods. Significant estimates are involved in determining the basis of allocating the costs of manufacturing to the products produced by the Group and in estimating the NRV of these inventories. Due to the significant estimation involved in the valuation of inventories and the level of judgement involved in determining the NRV of inventories, we considered these as key areas of audit focus.

Our audit procedures include, amongst others, the following:

- (a) We obtained an understanding of the Group's current inventories valuation policy, production processes and the types of costs included in the valuation of inventories;
- (b) We agreed, on a sampling basis, the costs of raw materials to suppliers' invoices;
- (c) We obtained an understanding of and tested on a sampling basis, the allocation of costs of raw materials, labour costs, and overhead costs to the respective products which made up the standard cost;
- (d) On a sampling basis, we reviewed the valuation of inventories by comparing to actual costs incurred and performed recomputation of the valuation of inventories; and
- (e) We selected samples of inventories and tested the NRV.

Impairment of property, plant and equipment and right-of-use assets

(Refer to Note 2.6, Note 2.8, Note 2.18, Note 3, Note 11 and Note 12 to the financial statements)

As at 30 April 2023, the carrying amount of property, plant and equipment and right-of-use assets of the Group were RM597 million, representing 99.6% and 55.2% of the Group's total non-current assets and total assets respectively.

The Group is required to perform impairment test of the carrying amount of the cash-generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount. The Group estimated the recoverable amount as the higher of the CGU's fair value less costs of disposal and its value in use ("VIU"). The management determined that there is an indication of impairment due to the certain subsidiaries with significant property, plant and equipment and right-of-use assets are suffering losses.

We identified this as an area of audit focus, as the VIU determined using discounted cash flows is complex and involves significant management judgement and estimates, specifically the key assumptions on the sales and discount rate.

Independent Auditors' Report
to the members of NTPM Holdings Berhad (Incorporated in Malaysia)

Report on the financial statements (Cont'd)

Key audit matters (Cont'd)

Impairment of property, plant and equipment and right-of-use assets (Cont'd)

Our audit procedures include, amongst others, the following:

- (a) We obtained an understanding of the relevant internal controls over estimating the recoverable amount of the CGU;
- (b) We evaluated the assumptions and methodologies used in performing the impairment assessment;
- (c) We tested the basis of preparing the cash flow forecasts taking into account the historical evidence supporting the underlying assumptions;
- (d) We evaluated the key assumptions, in particular, the weighted-average cost of capital discount rate assigned to the CGU and growth rate of sales by comparing against internal information, and external economic and market data; and
- (e) We involved our internal specialist to assist us in assessing the discount rate used to determine the present value of the cash flows of the CGU and whether the rate used is comparable to the industry's weighted-average cost of capital.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report
to the members of NTPM Holdings Berhad (Incorporated in Malaysia)

Report on the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditor are disclosed in Note 13 to the financial statements.

Independent Auditors' Report
to the members of NTPM Holdings Berhad (Incorporated in Malaysia)

Report on the financial statements (Cont'd)

Other matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Lee Ai Chung
No. 03265/04/2025 J
Chartered Accountant

Penang, Malaysia
21 August 2023

Income Statements

For the financial year ended 30 April 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	4	868,288,924	764,899,067	18,536,157	26,998,306
Other operating income	5	7,354,320	13,659,204	4,168,754	3,308,944
Advertising and promotional expenses		(5,130,309)	(4,141,583)	(2,894)	(2,883)
Changes in inventories of finished goods and work-in-progress		21,790,916	26,137,686	-	-
Depreciation		(52,097,529)	(47,558,574)	(151,581)	(117,619)
Employee benefits expense	6	(167,176,820)	(157,022,674)	(8,523,061)	(8,092,778)
Management fees		-	-	(17,907)	(114,382)
Purchases of trading inventories		(58,653,273)	(53,285,574)	-	-
Raw materials and consumables used		(453,253,170)	(359,770,584)	-	-
Repairs and maintenance		(21,213,693)	(19,181,237)	(209,960)	(210,411)
Transportation and freight charges		(50,901,157)	(45,908,346)	-	-
Utilities costs		(51,763,114)	(43,789,952)	(48,707)	(27,685)
Other operating expenses	7	(22,423,319)	(23,252,608)	(2,031,783)	(1,061,082)
Operating profit		14,821,776	50,784,825	11,719,018	20,680,410
Finance costs	8	(14,648,162)	(7,297,341)	(7,813)	(11,680)
Profit before tax		173,614	43,487,484	11,711,205	20,668,730
Income tax expense	9	(6,055,025)	(14,974,525)	(975,205)	(747,902)
(Loss)/Profit net of tax		(5,881,411)	28,512,959	10,736,000	19,920,828
Earnings per share attributable to owners of the parent (sen):					
Basic/Diluted	10	(0.52)	2.54		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Comprehensive Income

For the financial year ended 30 April 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit net of tax	(5,881,411)	28,512,959	10,736,000	19,920,828
Other comprehensive income:				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Remeasurement losses on defined benefit plans, net of tax	(40,598)	(15,720)	-	-
Revaluation of land and buildings, net of tax	3,071,565	23,902,871	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Foreign currency translation, net of tax	1,405,049	(6,054,297)	-	-
Other comprehensive income for the year, net of tax	4,436,016	17,832,854	-	-
Total comprehensive (loss)/income for the year	(1,445,395)	46,345,813	10,736,000	19,920,828

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Financial Position

As at 30 April 2023

	Note	2023 RM	2022 RM
Group			
Assets			
Non-current assets			
Property, plant and equipment	11	559,864,597	582,755,960
Right-of-use assets	12	37,034,738	37,672,986
Deferred tax assets	14	2,142,205	853,125
		<u>599,041,540</u>	<u>621,282,071</u>
Current assets			
Inventories	15	266,610,123	228,060,826
Trade and other receivables	16	156,920,540	150,001,694
Tax recoverable		14,890,122	9,996,494
Cash and bank balances	17	44,135,167	49,151,819
		<u>482,555,952</u>	<u>437,210,833</u>
Total assets		<u>1,081,597,492</u>	<u>1,058,492,904</u>
Equity and liabilities			
Current liabilities			
Loans and borrowings	18	375,902,397	334,752,523
Retirement benefit obligations	19	880,192	848,875
Trade and other payables	20	130,874,041	126,111,125
Derivative liabilities	21	222,159	196,719
Lease liabilities	22	1,936,639	2,035,541
Tax payable		336,968	693,553
		<u>510,152,396</u>	<u>464,638,336</u>
Net current liabilities		<u>(27,596,444)</u>	<u>(27,427,503)</u>
Non-current liabilities			
Deferred tax liabilities	14	22,161,539	23,672,783
Loans and borrowings	18	21,494,084	33,853,066
Retirement benefit obligations	19	15,670,705	14,026,531
Lease liabilities	22	1,748,589	1,502,294
		<u>61,074,917</u>	<u>73,054,674</u>
Total liabilities		<u>571,227,313</u>	<u>537,693,010</u>
Net assets		<u>510,370,179</u>	<u>520,799,894</u>
Equity attributable to owners of the parent			
Share capital	23	112,320,000	112,320,000
Treasury shares	23	(109,376)	(109,376)
Other reserves	24	110,443,842	105,967,228
Retained profits	25	287,715,713	302,622,042
Total equity		<u>510,370,179</u>	<u>520,799,894</u>
Total equity and liabilities		<u>1,081,597,492</u>	<u>1,058,492,904</u>

Statements of Financial Position
As at 30 April 2023

	Note	2023 RM	2022 RM
Company			
Assets			
Non-current assets			
Property, plant and equipment	11	66,713	31,263
Right-of-use assets	12	112,342	193,031
Investments in subsidiaries	13	31,208,514	32,208,514
Trade and other receivables	16	106,776,397	105,399,741
Deferred tax assets	14	50,774	34,591
		138,214,740	137,867,140
Current assets			
Inventories	15	5,942	-
Trade and other receivables	16	1,596,721	549,316
Tax recoverable		1,064,580	1,164,126
Cash and bank balances	17	1,645,137	1,150,055
		4,312,380	2,863,497
Total assets		142,527,120	140,730,637
Equity and liabilities			
Current liabilities			
Trade and other payables	20	3,368,121	3,239,063
Lease liabilities	22	121,909	100,760
		3,490,030	3,339,823
Net current assets/(liabilities)		822,350	(476,326)
Non-current liability			
Lease liabilities	22	-	105,404
Total liabilities		3,490,030	3,445,227
Net assets		139,037,090	137,285,410
Equity attributable to owners of the parent			
Share capital	23	112,320,000	112,320,000
Treasury shares	23	(109,376)	(109,376)
Retained profits	25	26,826,466	25,074,786
Total equity		139,037,090	137,285,410
Total equity and liabilities		142,527,120	140,730,637

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 30 April 2023

	Note	Share capital RM	Treasury shares RM	Non-distributable Other reserves RM	Distributable Retained profits RM	Total RM
Group						
At 1 May 2022		112,320,000	(109,376)	105,967,228	302,622,042	520,799,894
Total comprehensive income		-	-	4,476,614	(5,922,009)	(1,445,395)
Transactions with owners						
Dividends	26	-	-	-	(8,984,320)	(8,984,320)
At 30 April 2023		112,320,000	(109,376)	110,443,842	287,715,713	510,370,179
At 1 May 2021		112,320,000	(109,376)	88,118,654	292,093,443	492,422,721
Total comprehensive income		-	-	17,848,574	28,497,239	46,345,813
Transactions with owners						
Dividends	26	-	-	-	(17,968,640)	(17,968,640)
At 30 April 2022		112,320,000	(109,376)	105,967,228	302,622,042	520,799,894

	Note	Share capital RM	Treasury shares RM	Distributable Retained profits RM	Total RM
Company					
At 1 May 2022		112,320,000	(109,376)	25,074,786	137,285,410
Total comprehensive income		-	-	10,736,000	10,736,000
Transactions with owners					
Dividends	26	-	-	(8,984,320)	(8,984,320)
At 30 April 2023		112,320,000	(109,376)	26,826,466	139,037,090
At 1 May 2021		112,320,000	(109,376)	23,122,598	135,333,222
Total comprehensive income		-	-	19,920,828	19,920,828
Transactions with owners					
Dividends	26	-	-	(17,968,640)	(17,968,640)
At 30 April 2022		112,320,000	(109,376)	25,074,786	137,285,410

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 30 April 2023

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Operating activities				
Profit before tax	173,614	43,487,484	11,711,205	20,668,730
<u>Adjustments for:</u>				
Allowance for impairment loss on receivables, net	35,407	271,422	-	-
Bad debts written off	399,598	188,604	-	-
Depreciation	52,097,529	47,558,574	151,581	117,619
Dividend income	-	-	(9,000,000)	(18,000,000)
Gain on disposal of property, plant and equipment	(135,403)	(30,360)	-	-
Gain on lease modification	-	(79)	-	-
Gain on lease termination	(17,972)	(39,128)	-	-
Increase in liability for defined benefit plan	1,920,709	1,509,783	-	-
Interest expense	14,648,162	7,297,341	7,813	11,680
Interest income	(303,280)	(167,000)	(4,144,236)	(3,306,145)
Inventories written off	169,717	106,603	-	-
Loss on striking off a subsidiary	355	-	1,000,000	-
Net fair value loss on derivatives	25,440	125,787	-	-
Property, plant and equipment written off	124,477	288,642	-	-
Revaluation (surplus)/deficit on land and buildings	(3,215,908)	633,968	-	-
Reversal of impairment on property, plant and equipment	(110,100)	-	-	-
Short term accumulating compensated absences	(4,832)	492,619	26,722	8,772
Unrealised foreign exchange (gain)/loss	(1,439,628)	(9,698,290)	(2,887)	7,151
Write down/(Reversal) of inventories to net realisable value	243,904	(302,952)	-	-
Total adjustments	64,438,175	48,235,534	(11,961,007)	(21,160,923)
Operating cash flows before changes in working capital	64,611,789	91,723,018	(249,802)	(492,193)
<u>Changes in working capital</u>				
Decrease/(Increase) in receivables	13,601,769	6,922,638	(29,076)	2,500
Increase in inventories	(38,625,072)	(21,629,154)	(5,942)	-
Decrease in payables	(18,114,503)	(7,988,252)	(111,635)	(1,635,926)
Decrease in retirement benefit obligations	(299,750)	(189,304)	-	-
Total changes in working capital	(43,437,556)	(22,884,072)	(146,653)	(1,633,426)

Statements of Cash Flows
For the financial year ended 30 April 2023

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash flows generated from/(used in) operations	21,174,233	68,838,946	(396,455)	(2,125,619)
Interest paid	(14,507,716)	(7,176,951)	-	-
Tax paid	(15,353,717)	(21,654,845)	(891,842)	(1,133,608)
Net cash flows (used in)/generated from operating activities	(8,687,200)	40,007,150	(1,288,297)	(3,259,227)
Investing activities				
Payment on right-of-use assets	-	(329,393)	-	-
Purchase of property, plant and equipment (Note A)	(17,710,874)	(37,272,032)	(78,645)	(11,474)
Dividends received	-	-	9,000,000	18,000,000
Interest received	303,280	167,000	4,144,236	3,306,145
Net change in related companies balances	-	-	(2,177,292)	29,818
Proceeds from disposal of property, plant and equipment	276,290	165,348	-	-
Net cash flows (used in)/generated from investing activities	(17,131,304)	(37,269,077)	10,888,299	21,324,489
Financing activities				
Dividends paid	(8,984,320)	(17,968,640)	(8,984,320)	(17,968,640)
Net change in bank borrowings	31,769,421	15,154,701	-	-
Payment of lease liabilities	(2,608,087)	(2,423,570)	(120,600)	(108,000)
Net cash flows generated from/(used in) financing activities	20,177,014	(5,237,509)	(9,104,920)	(18,076,640)
Net (decrease)/increase in cash and cash equivalents	(5,641,490)	(2,499,436)	495,082	(11,378)
Effect of exchange rate	624,838	168,129	-	-
Cash and cash equivalents as at 1 May 2022/2021	49,151,819	51,483,126	1,150,055	1,161,433
Cash and cash equivalents as at 30 April 2023/2022 (Note B)	44,135,167	49,151,819	1,645,137	1,150,055

Statements of Cash Flows

For the financial year ended 30 April 2023

A. Purchase of property, plant and equipment:

During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM17,710,874 (2022: RM37,272,032) and RM78,645 (2022: RM11,474) respectively by way of the following:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash payments	17,710,874	37,272,032	78,645	11,474

B. Cash and cash equivalents comprise:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash on hand and at banks	20,645,525	27,104,608	1,598,724	1,130,511
Deposits with licensed banks	23,489,642	22,047,211	46,413	19,544
	44,135,167	49,151,819	1,645,137	1,150,055

Statements of Cash Flows
For the financial year ended 30 April 2023

C. Reconciliation of liabilities arising from financing activities:

Group	1 May 2022	Cash flows	Others	Effect of foreign exchange	Carrying amount at 30 April 2023
	RM	RM	RM	RM	RM
Loans and borrowings	368,605,589	31,769,421	-	(2,978,529)	397,396,481
Lease liabilities	3,537,835	(2,608,087)	2,688,355	67,125	3,685,228
Company					
Lease liabilities	206,164	(120,600)	36,345	-	121,909
Group	1 May 2021	Cash flows	Others	Effect of foreign exchange	Carrying amount at 30 April 2022
	RM	RM	RM	RM	RM
Loans and borrowings	345,106,805	15,154,701	-	8,344,083	368,605,589
Lease liabilities	3,782,390	(2,423,570)	2,123,915	55,100	3,537,835
Company					
Lease liabilities	302,484	(108,000)	11,680	-	206,164

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 30 April 2023

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at 886, Jalan Bandar Baru, Sungai Kecil, 14300 Nibong Tebal, Seberang Perai Selatan, Pulau Pinang.

The principal activities of the Company are investment holding and provision of information technology support and management services.

The principal activities of the subsidiaries are described in Note 13.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 May 2022, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2022.

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after
Amendments to Annual Improvement to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 3 Business Combinations: References to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 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

The adoption of the above standards and amendments has no material impact on the financial statements of the Group and of the Company in the period of initial application.

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

MFRSs, Amendments to MFRSs and IC Interpretation	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

2. Summary of significant accounting policies (Cont'd)

2.3 Standards and interpretations issued but not yet effective (Cont'd)

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after
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 are still assessing the impact on the financial statements of the Group and of the Company from the adoption of the standards and interpretations above.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company's. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Group, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the Financial Statements
For the financial year ended 30 April 2023

2. Summary of significant accounting policies (Cont'd)

2.4 Basis of consolidation (Cont'd)

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.5 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

2. Summary of significant accounting policies (Cont'd)

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date. All other property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful life and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is computed on a straight-line basis over the estimated useful life of the other assets, at the following annual rates:

Buildings	2% - 5%
Plant and machinery and electrical installations	10%
Motor vehicles	10% - 20%
Furniture, fittings, renovation, air conditioners, office equipment and computers	5% - 33.33%

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 Subsidiaries

A subsidiary is an entity over which the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and

Notes to the Financial Statements
For the financial year ended 30 April 2023

2. Summary of significant accounting policies (Cont'd)

2.7 Subsidiaries (Cont'd)

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.9 Financial assets

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Summary of significant accounting policies (Cont'd)

2.9 Financial assets (Cont'd)

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

i. Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

ii. Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest rate method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

iii. Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2.10 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the Financial Statements
For the financial year ended 30 April 2023

2. Summary of significant accounting policies (Cont'd)

2.10 Impairment of financial assets (Cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.11 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- a) Raw materials, trading goods, consumable inventories, spare parts and accessories: purchase costs on a first-in first-out basis.
- b) Finished goods and work-in-progress: costs of direct materials and labour and proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and the Company determine the classification of their financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

2. Summary of significant accounting policies (Cont'd)

2.14 Financial liabilities (Cont'd)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.15 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.17 Employee benefits

a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Notes to the Financial Statements
For the financial year ended 30 April 2023

2. Summary of significant accounting policies (Cont'd)

2.17 Employee benefits (Cont'd)

c) Defined benefit plans

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The costs of providing benefits under defined benefit plans are determined separately for each plan using the projected unit credit actuarial valuation method.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation in the consolidated statement of profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

2.18 Leases

As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Summary of significant accounting policies (Cont'd)

2.18 Leases (Cont'd)

As lessee (Cont'd)

(a) Right-of-use assets ("ROU assets")

The Group and the Company recognise a ROU asset at the commencement date of the lease. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets include the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets, as follows:

Leasehold land	45 to 99 years
Rented properties	1 to 97 years
Office equipment	5 years
Motor vehicles	2 to 3 years

If the ownership of the leased asset would be transferred to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the assets.

The ROU assets are also subject to impairment as disclosed in Note 2.8.

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentive receivable/received, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date, as the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying assets.

2.19 Revenue

Revenue is measured based on the consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group and the Company satisfy a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective volume discounts based on the aggregate sales over a period of time.

Notes to the Financial Statements
For the financial year ended 30 April 2023

2. Summary of significant accounting policies (Cont'd)

2.19 Revenue (Cont'd)

(a) Sale of goods (Cont'd)

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated customer rebates and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected customer rebates payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

(b) Other revenue

(i) Interest income

Interest income is recognised using the effective interest rate method.

(ii) Management fees

Management fees are recognised when services are rendered.

(iii) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

2.20 Taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. Summary of significant accounting policies (Cont'd)

2.20 Taxes (Cont'd)

(b) Deferred tax (Cont'd)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and Services Tax ("SST")

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable from the taxation authority.

Whereas, revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

2.21 Segment reporting

For management purposes, the Group is organised into operating segments based on business segments which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

Notes to the Financial Statements
For the financial year ended 30 April 2023

2. Summary of significant accounting policies (Cont'd)

2.22 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.24 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.25 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 29.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Summary of significant accounting policies (Cont'd)

2.25 Fair value measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for recurring fair value measurement, such as properties, financial assets and financial liabilities at fair value through profit or loss.

External valuers may be involved for valuation of certain significant asset and liabilities, such as properties and financial liabilities at fair value through profit or loss. Involvement of external valuers is decided upon annually by the Group. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.26 Related parties

A related party is defined as follows:

- (a) a person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.
- (b) an entity is related to the Group and the Company if any of the following conditions applies:
 - (i) if the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the Company, or any member of a Group of which it is a party, provides key management personnel services to the Company or to the parent of the Company.

Notes to the Financial Statements
For the financial year ended 30 April 2023

2. Summary of significant accounting policies (Cont'd)

2.27 Current and non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

2.28 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if:

- there is a currently enforceable legal right to offset the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

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

3. Significant accounting judgements and estimates (Cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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. Impairment of property, plant and equipment and right-of-use assets

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.

Estimating the value in use involves estimating the future cash inflows and outflows that will be generated by the cash-generating unit and discounting them at an appropriate rate. The carrying amount of the Group's and the Company's property, plant and equipment and right-of-use assets at the reporting date are disclosed in Note 11 and Note 12 respectively.

ii. Impairment of investments in subsidiaries

The Company had recognised impairment losses in respect of investments in subsidiaries. The Company carried out the impairment tests based on the estimation of the higher of the value in use or the fair value less cost to sell of the cash-generating units ("CGU") to which the investments in subsidiaries belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment losses recognised are disclosed in Note 13.

iii. Customer rebates

The Group had recognised customer rebates according to the contractual arrangements entered into with its customers. Customer rebates are recognised based on the expected entitlement earned up to the reporting date under each customer trading agreement and promotions run. Certain customer rebates are triggered when certain conditions are met. The amount payable is based on the conditions achieved, multiplied by rates contracted with each customer in their trading agreements.

The Group assessed the customer rebates at each reporting date which are adjusted to reflect the current best estimate.

Further details of the customer rebates are disclosed in Note 20.

Notes to the Financial Statements
For the financial year ended 30 April 2023

4. Revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenues recognised at a point in time				
Sales of tissue paper products	619,000,610	534,835,744	-	-
Sales of personal care products	249,288,314	230,063,323	-	-
Management fees	-	-	9,536,157	8,998,306
Dividend income	-	-	9,000,000	18,000,000
Revenues from contracts with customers	<u>868,288,924</u>	<u>764,899,067</u>	<u>18,536,157</u>	<u>26,998,306</u>

Revenues comprise invoiced sales of goods net of discounts, rebates and returns. The geographical locations of the customers of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Geographical markets				
Malaysia	624,714,958	551,482,072	17,914,468	26,258,797
Singapore	86,889,204	74,569,868	382,513	521,085
Thailand	43,773,802	31,119,785	-	-
Vietnam	69,934,258	61,528,498	239,176	218,424
Others	42,976,702	46,198,844	-	-
Revenues from contracts with customers	<u>868,288,924</u>	<u>764,899,067</u>	<u>18,536,157</u>	<u>26,998,306</u>

Contract balances

Information about trade receivables is disclosed as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables (Note 16)	<u>114,582,192</u>	<u>112,293,489</u>	<u>1,003,640</u>	-

Notes to the Financial Statements
For the financial year ended 30 April 2023

5. Other operating income

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Gain on disposal of property, plant and equipment	135,403	30,360	-	-
Gain on lease modification	-	79	-	-
Gain on lease termination	17,972	39,128	-	-
Interest income from:				
- deposits with licensed banks	303,280	167,000	27,627	22,156
- receivables	-	-	4,116,609	3,283,989
Realised foreign exchange gain	-	-	21,631	2,799
Reversal of impairment on property, plant and equipment	110,100	-	-	-
Revaluation surplus on land and buildings	3,215,908	-	-	-
Sundry income	2,132,029	3,724,347	-	-
Unrealised foreign exchange gain	1,439,628	9,698,290	2,887	-
	7,354,320	13,659,204	4,168,754	3,308,944

6. Employee benefits expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Wages and salaries	123,799,288	117,158,235	3,174,284	2,380,622
Executive directors' remuneration				
- Directors of the Company	2,227,718	2,733,455	2,227,718	2,733,455
- Directors of subsidiaries of the Company	4,485,994	4,574,293	2,150,702	2,259,774
Social security contributions	3,731,259	3,017,651	44,745	33,880
Short term accumulating compensated absences	(4,832)	492,619	26,722	8,772
Contribution to defined contribution plan	12,386,287	12,375,656	644,845	599,983
Increase in liability for defined benefit plan (Note 19)	1,920,709	1,509,783	-	-
Sundry wages	11,431,631	8,521,466	56,945	-
Other benefits	7,198,766	6,639,516	197,100	76,292
	167,176,820	157,022,674	8,523,061	8,092,778

Notes to the Financial Statements
For the financial year ended 30 April 2023

7. Other operating expenses

Other operating expenses are arrived at:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
After charging/(crediting):				
Auditors' remuneration				
- statutory audit				
- current year	518,527	457,135	119,780	81,620
- under provision in prior years	8,480	7,420	8,480	-
- other services	14,840	19,339	14,840	19,339
Allowance for impairment loss on receivables, net	35,407	271,422	-	-
Bad debts recovered	(11,449)	(3,947)	-	-
Bad debts written off	399,598	188,604	-	-
Executive directors' fees	245,114	241,980	120,000	120,000
Expenses relating to short-term leases and leases of low-value assets	240	18,314	-	-
Inventories written off	169,717	106,603	-	-
Loss on striking off a subsidiary	355	-	1,000,000	-
Net fair value loss on derivatives	25,440	125,787	-	-
Non-executive directors' remuneration	268,336	298,576	238,000	268,000
Property, plant and equipment written off	124,477	288,642	-	-
Realised foreign exchange loss	2,239,215	1,852,143	-	-
Revaluation deficit on land and buildings (Note 11)	-	633,968	-	-
Write down/(Reversal) of inventories to net realisable value	243,904	(302,952)	-	-
Unrealised foreign exchange loss	-	-	-	7,151

8. Finance costs

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
- loans and borrowings	14,507,716	7,176,951	-	-
- lease liabilities (Note 22)	140,446	120,390	7,813	11,680
	14,648,162	7,297,341	7,813	11,680

Notes to the Financial Statements
For the financial year ended 30 April 2023

9. Income tax expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax:				
Malaysian income tax	9,695,087	17,747,916	969,614	745,955
Foreign tax	328,975	682,062	-	-
	10,024,062	18,429,978	969,614	745,955
Under/(Over) provision in prior years:				
Malaysian income tax	182,713	(673,989)	21,774	(2,117)
Foreign tax	(134,190)	-	-	-
	48,523	(673,989)	21,774	(2,117)
	10,072,585	17,755,989	991,388	743,838
Deferred tax (Note 14):				
Relating to origination and reversal of temporary differences	(3,860,515)	(3,078,300)	(7,404)	2,542
(Over)/Under provision in prior years:				
Malaysian income tax	(157,045)	296,836	(8,779)	1,522
	(4,017,560)	(2,781,464)	(16,183)	4,064
Income tax expense recognised in profit or loss	6,055,025	14,974,525	975,205	747,902
Deferred tax (Note 14):				
Relating to other comprehensive income:				
- net surplus on revaluation of freehold land and buildings	1,228,208	4,935,638	-	-
- effect on retirement benefit obligations	(12,821)	(12,858)	-	-
	1,215,387	4,922,780	-	-

The Malaysian corporate statutory tax rate for the year of assessment 2023 was 24% (2022: 24%).

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements
For the financial year ended 30 April 2023

9. Income tax expense (Cont'd)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 April 2023 and 2022 are as follows:

	Group	
	2023 RM	2022 RM
Profit before tax	173,614	43,487,484
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	41,667	10,436,996
Effect of different tax rates in other countries	868,893	180,603
Effect of expenses not deductible for tax purposes	11,136,558	8,904,337
Effect of income not subject to tax	(2,909,931)	(3,644,153)
Utilisation of current year reinvestment allowance	(902,368)	-
Deferred tax assets not recognised during the year	-	2,031,180
Deferred tax assets not recognised on unutilised capital allowances, tax losses and reinvestment allowances in prior year, recognised now	(1,470,324)	(2,557,285)
Deferred tax assets recognised on reinvestment allowances	(600,948)	-
Under/(Over) provision of income tax in prior years	48,523	(673,989)
(Over)/Under provision of deferred tax in prior years	(157,045)	296,836
Tax expense for the year	6,055,025	14,974,525

	Company	
	2023 RM	2022 RM
Profit before tax	11,711,205	20,668,730
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	2,810,689	4,960,495
Effect of expenses not deductible for tax purposes	305,637	108,002
Effect of income not subject to tax	(2,154,116)	(4,320,000)
Under/(Over) provision of income tax in prior years	21,774	(2,117)
(Over)/Under provision of deferred tax in prior years	(8,779)	1,522
Tax expense for the year	975,205	747,902

10. Earnings per share

Basic earnings per share is calculated by dividing (loss)/profit for the year net of tax attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Notes to the Financial Statements
For the financial year ended 30 April 2023

10. Earnings per share (Cont'd)

	Group	
	2023	2022
(Loss)/Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share (RM)	(5,881,411)	28,512,959
Weighted average number of ordinary shares used in the computation of earnings per share	1,123,040,000	1,123,040,000
Basic earnings per share (sen)	(0.52)	2.54
Diluted earnings per share (sen)	(0.52)	2.54

Basic and diluted earnings per share are the same as there is no convertible instrument issued.

Notes to the Financial Statements
For the financial year ended 30 April 2023

11. Property, plant and equipment

Group	Freehold land RM	Buildings RM	Capital work-in-progress RM	Plant and machinery and electrical installations RM	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, office equipment and computers RM	Total RM
At 30 April 2023							
Cost/valuation							
At 1 May 2022	-	-	30,162,320	706,702,485	52,871,155	20,061,064	809,797,024
At cost	127,670,259	148,667,409	-	-	-	-	276,337,668
At valuation	127,670,259	148,667,409	30,162,320	706,702,485	52,871,155	20,061,064	1,086,134,692
Additions	-	-	12,568,815	2,042,806	1,855,067	1,244,186	17,710,874
Disposals	-	-	-	(54,954)	(1,056,345)	(37,800)	(1,149,099)
Write offs	-	-	(4,991)	(311,640)	(714,240)	(33,818)	(1,064,689)
Reclassification	-	241,147	(24,596,998)	23,949,667	309,284	96,900	-
Revaluation surplus recognised in other comprehensive income	70,817	4,228,956	-	-	-	-	4,299,773
Revaluation surplus recognised in profit or loss (Note 5)	-	3,215,908	-	-	-	-	3,215,908
Translation difference	-	250,500	26,317	810,005	171,071	25,050	1,282,943
At 30 April 2023	127,741,076	156,603,920	18,155,463	733,138,369	53,435,992	21,355,582	1,110,430,402
Representing:							
At cost	-	-	18,155,463	733,138,369	53,435,992	21,355,582	826,085,406
At valuation	127,741,076	156,603,920	-	-	-	-	284,344,996
At 30 April 2023	127,741,076	156,603,920	18,155,463	733,138,369	53,435,992	21,355,582	1,110,430,402

Notes to the Financial Statements
For the financial year ended 30 April 2023

11. Property, plant and equipment (Cont'd)

Group	Freehold land RM	Buildings RM	Capital work-in-progress RM	Plant and machinery and electrical installations RM	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, office equipment and computers RM	Total RM
At 30 April 2023							
Accumulated depreciation and impairment losses							
At 1 May 2022	-	-	-	450,967,734	38,315,987	14,095,011	503,378,732
Depreciation charge for the year	-	-	-	44,257,123	3,057,226	1,432,906	48,747,255
Disposals	-	-	-	(14,171)	(956,241)	(37,800)	(1,008,212)
Write offs	-	-	-	(193,547)	(714,221)	(32,444)	(940,212)
Reversal of impairment	-	-	-	-	(110,100)	-	(110,100)
Translation difference	-	-	-	338,413	155,100	4,829	498,342
At 30 April 2023	-	-	-	495,355,552	39,747,751	15,462,502	550,565,805
Net carrying amount							
At cost	-	-	18,155,463	237,782,817	13,688,241	5,893,080	275,519,601
At valuation	127,741,076	156,603,920	-	-	-	-	284,344,996
At 30 April 2023	127,741,076	156,603,920	18,155,463	237,782,817	13,688,241	5,893,080	559,864,597

Notes to the Financial Statements
For the financial year ended 30 April 2023

11. Property, plant and equipment (Cont'd)

Group	Freehold land RM	Buildings RM	Capital work-in-progress RM	Plant and machinery and electrical installations RM	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, office equipment and computers RM	Total RM
At 30 April 2022							
Cost/valuation							
At 1 May 2021	-	-	78,318,444	638,745,584	51,322,647	19,093,534	787,480,209
At cost	111,575,500	121,260,175	-	-	-	-	232,835,675
At valuation	111,575,500	121,260,175	78,318,444	638,745,584	51,322,647	19,093,534	1,020,315,884
Additions	-	18,635	31,694,347	2,922,688	1,635,183	1,001,179	37,272,032
Disposals	-	-	-	(1,565,439)	(471,470)	(67,688)	(2,104,597)
Write offs	-	-	(163,974)	(6,428,816)	(58,500)	(1,150,760)	(7,802,050)
Reclassification	-	12,616,081	(80,012,649)	66,342,139	135,420	919,009	-
Revaluation surplus recognised in other comprehensive income	16,094,759	12,743,750	-	-	-	-	28,838,509
Revaluation deficit recognised in profit or loss (Note 7)	-	(633,968)	-	-	-	-	(633,968)
Translation difference	-	2,662,736	326,152	6,686,329	307,875	265,790	10,248,882
At 30 April 2022	127,670,259	148,667,409	30,162,320	706,702,485	52,871,155	20,061,064	1,086,134,692
Representing:							
At cost	-	-	30,162,320	706,702,485	52,871,155	20,061,064	809,797,024
At valuation	127,670,259	148,667,409	-	-	-	-	276,337,668
At 30 April 2022	127,670,259	148,667,409	30,162,320	706,702,485	52,871,155	20,061,064	1,086,134,692

Notes to the Financial Statements
For the financial year ended 30 April 2023

11. Property, plant and equipment (Cont'd)

Group	Freehold land RM	Buildings RM	Capital work-in-progress RM	Plant and machinery and electrical installations RM	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, office equipment and computers RM	Total RM
At 30 April 2022							
Accumulated depreciation and impairment losses							
At 1 May 2021	-	-	-	416,953,271	35,376,505	13,837,869	466,167,645
Depreciation charge for the year	-	-	-	39,651,569	3,255,442	1,330,796	44,237,807
Disposals	-	-	-	(1,541,025)	(407,450)	(21,134)	(1,969,609)
Write offs	-	-	-	(6,315,015)	(58,500)	(1,139,893)	(7,513,408)
Translation difference	-	-	-	2,218,934	149,990	87,373	2,456,297
At 30 April 2022	-	-	-	450,967,734	38,315,987	14,095,011	503,378,732
Net carrying amount							
At cost	-	-	30,162,320	255,734,751	14,555,168	5,966,053	306,418,292
At valuation	127,670,259	148,667,409	-	-	-	-	276,337,668
At 30 April 2022	127,670,259	148,667,409	30,162,320	255,734,751	14,555,168	5,966,053	582,755,960

Notes to the Financial Statements
For the financial year ended 30 April 2023

11. Property, plant and equipment (Cont'd)

Company	Motor vehicles RM	Furniture, fittings, renovation, air conditioners, office equipment and computers RM	Total RM
At 30 April 2023			
Cost			
At 1 May 2022	631,358	282,249	913,607
Additions	-	78,645	78,645
At 30 April 2023	631,358	360,894	992,252
Accumulated depreciation			
At 1 May 2022	631,358	250,986	882,344
Depreciation charge for the year	-	43,195	43,195
At 30 April 2023	631,358	294,181	925,539
Net carrying amount			
At 30 April 2023	-	66,713	66,713
At 30 April 2022			
Cost			
At 1 May 2021	631,358	270,775	902,133
Additions	-	11,474	11,474
At 30 April 2022	631,358	282,249	913,607
Accumulated depreciation			
At 1 May 2021	626,097	235,143	861,240
Depreciation charge for the year	5,261	15,843	21,104
At 30 April 2022	631,358	250,986	882,344
Net carrying amount			
At 30 April 2022	-	31,263	31,263

Notes to the Financial Statements
For the financial year ended 30 April 2023

11. Property, plant and equipment (Cont'd)

- (a) Freehold land and buildings have been revalued at the reporting date based on valuations performed by accredited independent valuers. Had the revalued properties been carried under the cost model, the net carrying amounts of each class of property, plant and equipment that would have been included in the financial statements of the Group would be as follows:

	Group	
	2023 RM	2022 RM
Freehold land	28,886,918	28,886,918
Buildings	100,148,922	103,298,720
	129,035,840	132,185,638

- (b) Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use costing RM331,859,960 (2022: RM305,884,877) and RM859,961 (2022: RM841,771) respectively.
- (c) The net carrying amount of temporarily idle assets of the Group amounted to RM13,485,822 (2022: RM13,485,536).
- (d) During the financial year, the subsidiary, Nibong Tebal Logistics Sdn. Bhd. carried out impairment review of its motor vehicles and reversal of impairment loss amounting to RM110,100 is recognised from the impairment review carried out during the year (2022: RMNil).

12. Right-of-use assets

	Leasehold land RM	Rented properties RM	Office equipment RM	Motor vehicle RM	Total RM
Group					
At 30 April 2023					
Cost					
At 1 May 2022	32,108,307	12,905,973	34,149	552,138	45,600,567
Additions	-	3,290,606	-	258,207	3,548,813
Write offs	-	(1,440,271)	-	(280,843)	(1,721,114)
Termination of lease	-	(1,747,440)	-	-	(1,747,440)
Translation difference	103,198	87,694	-	31,657	222,549
At 30 April 2023	32,211,505	13,096,562	34,149	561,159	45,903,375
Accumulated depreciation					
At 1 May 2022	4,777,878	2,816,191	22,767	310,745	7,927,581
Depreciation charge for the year	598,831	2,561,238	7,589	182,616	3,350,274
Write offs	-	(1,440,271)	-	(280,843)	(1,721,114)
Termination of lease	-	(764,508)	-	-	(764,508)
Translation difference	23,692	36,972	-	15,740	76,404
At 30 April 2023	5,400,401	3,209,622	30,356	228,258	8,868,637
Net carrying amount					
At 30 April 2023	26,811,104	9,886,940	3,793	332,901	37,034,738

Notes to the Financial Statements
For the financial year ended 30 April 2023

12. Right-of-use assets (Cont'd)

	Leasehold land RM	Rented properties RM	Office equipment RM	Motor vehicle RM	Total RM
Group					
At 30 April 2022					
Cost					
At 1 May 2021	30,643,734	13,217,533	34,149	514,534	44,409,950
Additions	329,393	2,949,115	-	275,701	3,554,209
Write offs	-	(1,773,019)	-	(249,324)	(2,022,343)
Termination of lease	-	(1,513,469)	-	-	(1,513,469)
Modification of lease	-	(43,512)	-	-	(43,512)
Translation difference	1,135,180	69,325	-	11,227	1,215,732
At 30 April 2022	32,108,307	12,905,973	34,149	552,138	45,600,567
Accumulated depreciation					
At 1 May 2021	3,854,226	2,517,477	15,178	366,572	6,753,453
Depreciation charge for the year	699,385	2,431,016	7,589	182,777	3,320,767
Write offs	-	(1,773,019)	-	(245,240)	(2,018,259)
Termination of lease	-	(371,729)	-	-	(371,729)
Modification of lease	-	(7,252)	-	-	(7,252)
Translation difference	224,267	19,698	-	6,636	250,601
At 30 April 2022	4,777,878	2,816,191	22,767	310,745	7,927,581
Net carrying amount					
At 30 April 2022	27,330,429	10,089,782	11,382	241,393	37,672,986

	Rented properties	
	2023 RM	2022 RM
Company		
Cost		
At 1 May	482,578	482,578
Additions	27,697	-
At 30 April	510,275	482,578
Accumulated depreciation		
At 1 May	289,547	193,032
Depreciation charge for the year	108,386	96,515
At 30 April	397,933	289,547
Net carrying amount		
At 30 April	112,342	193,031

Notes to the Financial Statements
For the financial year ended 30 April 2023

13. Investments in subsidiaries

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost	34,041,318	35,041,318
Accumulated impairment losses	(2,832,804)	(2,832,804)
	31,208,514	32,208,514

Details of the subsidiaries are as follows:

Name of subsidiaries	Equity interest held		Principal activities	Country of incorporation
	2023 %	2022 %		
Nibong Tebal Enterprise Sendirian Berhad	100.00	100.00	Trading in tissues, paper products and personal care products, provision of freight forwarding, transportation and logistics services	Malaysia
Nibong Tebal Paper Mill Sdn. Bhd.	100.00	100.00	Manufacturing of and trading in tissue paper products such as toilet rolls, tissues, serviettes and provision of freight forwarding, transportation and logistics services	Malaysia
Nibong Tebal Personal Care Sdn. Bhd.	100.00	100.00	Manufacturing of and trading in personal care products such as sanitary products, baby diapers, facial cotton, wet tissues and adult diapers	Malaysia
Nibong Tebal Logistics Sdn. Bhd.	100.00	100.00	Provision of integrated logistics services	Malaysia
Nibong Tebal IT Sdn. Bhd.	100.00	100.00	Provision of information technology support and services	Malaysia
Nibong Tebal Technology Sdn. Bhd.	100.00	100.00	Undertaking of research and development activities on the production technology, biotechnology and recycling of waste materials related to paper industry	Malaysia

Notes to the Financial Statements
For the financial year ended 30 April 2023

13. Investments in subsidiaries (Cont'd)

Details of the subsidiaries are as follows: (Cont'd)

Name of subsidiaries	Equity interest held		Principal activities	Country of incorporation
	2023	2022		
	%	%		
Nibong Tebal Paper Products Sdn. Bhd. ***	-	100.00	Undertaking of paper product and printing related business and general trading	Malaysia
NTPM (Thailand) Co., Ltd.*	100.00	100.00	Wholesales of pulp paper and sanitary products	Thailand
NTPM (Singapore) Pte. Ltd.**	100.00	100.00	Importers, exporters and dealers in all kinds of paper products, tissue papers, toilet rolls, paper towels and general merchandise	Singapore
NTPM (International) Pte. Ltd.**	100.00	100.00	Investment holding	Singapore
NTPM (Vietnam) Co., Ltd.**	100.00	100.00	Manufacturing and processing of tissue paper and products related to tissue paper and manufacturing of semi-finished jumbo paper rolls	Vietnam

* Audited by a firm of auditors other than Ernst & Young PLT

** Audited by a member firm of Ernst & Young Global in the respective country

*** Strike off during the financial year

Impairment loss

The management of the Company has carried out a review of the recoverable amounts of its investments in subsidiaries when there is an indication of impairment. No impairment is recognised in both current and prior financial year. The recoverable amount was based on the higher of value in use and fair value less cost to sell and was determined at the identifiable cash-generating unit ("CGU"). In determining the value in use of the CGU, the discount rate applied to cash flow projections is the weighted average cost of capital of the subsidiaries.

Notes to the Financial Statements
For the financial year ended 30 April 2023

14. Deferred tax

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 May	22,819,658	20,677,692	(34,591)	(38,655)
Recognised in profit or loss (Note 9)	(4,017,560)	(2,781,464)	(16,183)	4,064
Recognised in other comprehensive income (Note 9)	1,215,387	4,922,780	-	-
	20,017,485	22,819,008	(50,774)	(34,591)
Exchange differences	1,849	650	-	-
At 30 April	20,019,334	22,819,658	(50,774)	(34,591)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(2,142,205)	(853,125)	(50,774)	(34,591)
Deferred tax liabilities	22,161,539	23,672,783	-	-
	20,019,334	22,819,658	(50,774)	(34,591)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Retirement benefit obligations RM	Unused tax losses, unabsorbed allowance for increase in export, reinvestment allowances and capital allowances RM	Other payables RM	Others RM	Total RM
At 1 May 2022	(3,560,852)	(21,757,601)	(1,045,800)	(1,483,964)	(27,848,217)
Recognised in profit or loss	(313,052)	(7,565,147)	(13,291)	794,580	(7,096,910)
Recognised in other comprehensive income	(12,821)	-	-	-	(12,821)
Exchange differences	-	-	(265)	-	(265)
At 30 April 2023	(3,886,725)	(29,322,748)	(1,059,356)	(689,384)	(34,958,213)
At 1 May 2021	(3,237,850)	(12,896,953)	(1,271,659)	(986,864)	(18,393,326)
Recognised in profit or loss	(310,144)	(8,860,648)	226,124	(497,100)	(9,441,768)
Recognised in other comprehensive income	(12,858)	-	-	-	(12,858)
Exchange differences	-	-	(265)	-	(265)
At 30 April 2022	(3,560,852)	(21,757,601)	(1,045,800)	(1,483,964)	(27,848,217)

Notes to the Financial Statements
For the financial year ended 30 April 2023

14. Deferred tax (Cont'd)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM	Revaluation of properties RM	Others RM	Total RM
At 1 May 2022	32,412,146	15,759,598	2,496,131	50,667,875
Recognised in profit or loss	696,620	75,928	2,306,802	3,079,350
Recognised in other comprehensive income	-	1,228,208	-	1,228,208
Exchange differences	2,114	-	-	2,114
At 30 April 2023	33,110,880	17,063,734	4,802,933	54,977,547
At 1 May 2021	27,222,428	10,715,268	1,133,322	39,071,018
Recognised in profit or loss	5,188,803	108,692	1,362,809	6,660,304
Recognised in other comprehensive income	-	4,935,638	-	4,935,638
Exchange differences	915	-	-	915
At 30 April 2022	32,412,146	15,759,598	2,496,131	50,667,875

Deferred tax assets of the Company:

	Unabsorbed capital allowances RM	Others RM	Total RM
At 1 May 2022	-	(39,178)	(39,178)
Recognised in profit or loss	-	(16,926)	(16,926)
At 30 April 2023	-	(56,104)	(56,104)
At 1 May 2021	(4,385)	(37,986)	(42,371)
Recognised in profit or loss	4,385	(1,192)	3,193
At 30 April 2022	-	(39,178)	(39,178)

Deferred tax liability of the Company:

	Plant and equipment RM
At 1 May 2022	4,587
Recognised in profit or loss	743
At 30 April 2023	5,330
At 1 May 2021	3,716
Recognised in profit or loss	871
At 30 April 2022	4,587

Notes to the Financial Statements
For the financial year ended 30 April 2023

14. Deferred tax (Cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2023 RM	2022 RM
Unused tax losses	93,528,344	107,896,404
Unutilised reinvestment allowances	25,856,161	25,856,161
Unabsorbed capital allowances	15,235,923	10,468,531
Other deductible temporary differences	369,506	305,529
	134,989,934	144,526,625

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

The unused tax losses, unutilised reinvestment allowances, and unabsorbed capital allowances available for offsetting against future taxable profits subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority. The ability to carry forward unutilised reinvestment allowances are restricted to a maximum period of seven consecutive Year of Assessment ("YA") until YA 2043. Based on the latest Malaysian Finance Act gazetted on 31 December 2021, the time limit for the carry forward of the unused tax losses has been extended to 10 years from YA 2018.

The above unused tax losses of the Group will expire by the end of the following year of assessment:

	Group	
	2023 RM	2022 RM
Unused tax losses:		
2023	-	21,418,894
2024	29,268,855	27,890,577
2025	841,673	841,673
2026	5,215,379	5,215,379
2027	12,324,691	12,324,691
2028	19,376,368	20,197,803
2029	5,092,677	5,092,677
2030	5,344,870	5,344,870
2031	3,627,056	3,627,056
2032	5,942,784	5,942,784
2033	6,493,991	-
	93,528,344	107,896,404

Notes to the Financial Statements
For the financial year ended 30 April 2023

15. Inventories

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At cost:				
Raw materials	134,267,027	104,719,639	-	-
Work-in-progress	18,562,171	23,586,716	-	-
Finished goods	68,051,365	54,750,662	-	-
Trading goods	8,284,080	7,876,150	-	-
Consumable inventories	7,961,562	10,050,981	-	-
Spare parts and accessories	29,212,549	27,028,097	5,942	-
	266,338,754	228,012,245	5,942	-
At net realisable value:				
Finished goods	271,369	48,581	-	-
	266,610,123	228,060,826	5,942	-

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM733,556,692 (2022: RM611,194,841) and Company amounted to RM40,927 (2022: RMNil).

16. Trade and other receivables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current:				
Other receivable				
Due from subsidiaries	-	-	106,776,397	105,399,741
Current:				
Trade receivables				
Trade receivables	115,302,621	113,379,091	-	-
Due from subsidiaries	-	-	1,003,640	-
	115,302,621	113,379,091	1,003,640	-
Allowance for impairment	(720,429)	(1,085,602)	-	-
Trade receivables, net	114,582,192	112,293,489	1,003,640	-

Notes to the Financial Statements
For the financial year ended 30 April 2023

16. Trade and other receivables (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current: (Cont'd)				
Other receivables				
Due from subsidiaries	-	-	533,280	518,591
Deposits for purchase of property, plant and equipment and raw materials	5,565,895	6,701,738	-	-
Prepayments	3,384,988	3,225,758	27,276	-
Sundry receivables and deposits	1,652,152	1,809,017	29,125	29,125
Staff advances	522,555	402,172	3,400	1,600
Insurance asset	998,890	-	-	-
Indirect tax recoverable	30,229,612	25,585,264	-	-
Other receivables	42,354,092	37,723,949	593,081	549,316
Allowance for impairment	(15,744)	(15,744)	-	-
Other receivables, net	42,338,348	37,708,205	593,081	549,316
Total trade and other receivables (current)	156,920,540	150,001,694	1,596,721	549,316
Total trade and other receivables (non-current and current)	156,920,540	150,001,694	108,373,118	105,949,057
Add: Cash and bank balances (Note 17)	44,135,167	49,151,819	1,645,137	1,150,055
Less: Deposits for purchase of property, plant and equipment and raw materials	(5,565,895)	(6,701,738)	-	-
Less: Prepayments	(3,384,988)	(3,225,758)	(27,276)	-
Less: Indirect tax recoverable	(30,229,612)	(25,585,264)	-	-
Total financial assets at amortised cost	161,875,212	163,640,753	109,990,979	107,099,112

(a) Trade receivables

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are on both cash and credit basis. The Group's normal trade credit terms range from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

The Group has no significant concentration of credit risk that may arise from exposure to a single customer or groups of customers, other than as disclosed in Note 30(a).

Notes to the Financial Statements
For the financial year ended 30 April 2023

16. Trade and other receivables (Cont'd)

(a) Trade receivables (Cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2023 RM	2022 RM
Neither past due nor impaired	64,642,579	62,767,003
1 to 30 days past due not impaired	40,429,253	32,430,886
31 to 60 days past due not impaired	6,352,716	10,903,744
61 to 90 days past due not impaired	1,319,551	4,445,041
More than 91 days past due not impaired	1,838,093	1,746,815
	49,939,613	49,526,486
Impaired	720,429	1,085,602
	115,302,621	113,379,091

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. The majority of the Group's trade receivables arises from customers with more than four years of experience with the Group and losses have occurred infrequently.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM49,939,613 (2022: RM49,526,486) that are past due at the reporting date but not impaired.

None of the Group's trade receivables that are past due but not impaired have been renegotiated during the financial year.

Receivables that are impaired

The Group's trade receivables that are individually impaired at the reporting date and the movements of the allowance accounts used to record the impairment are as follows:

	Group	
	2023 RM	2022 RM
At 1 May/30 April	1,085,602	804,574
Charge for the year (Note 7)	584,444	1,017,315
Reversal of impairment (Note 7)	(549,037)	(745,893)
Written off	(415,691)	(465)
Exchange difference	15,111	10,071
At 30 April	720,429	1,085,602

Management conducts periodic assessment on its trade receivable balance on account-by-account basis. Hence, all impairment losses are provided for specific trade receivable balances. Management is of the opinion that there are no further factors that warrant the consideration of additional impairment losses on a collective basis.

Notes to the Financial Statements
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16. Trade and other receivables (Cont'd)

(b) Other receivables

The Group's other receivables that are individually impaired at the reporting date and the movements of the allowance accounts to record the impairment are as follows:

	Group	
	2023 RM	2022 RM
At 1 May/30 April	15,744	15,744

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(c) Amounts due from subsidiaries

The amounts due from subsidiaries included under trade receivables comprise management fees which are unsecured, interest-free and within the credit term.

The amounts due from subsidiaries included under other receivables comprise unsecured advances amounting to RM107,309,677 (2022: RM105,918,332), bearing interest rates ranging from 3.18% to 4.30% (2022: 3.16% to 3.19%) per annum which are repayable upon demand.

The amounts due from subsidiaries are classified as non-current when the Company does not expect repayments from these subsidiaries within the next twelve months from the financial year end.

Further details on related party transactions are disclosed in Note 27.

17. Cash and bank balances

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash on hand and at banks	20,645,525	27,104,608	1,598,724	1,130,511
Deposits with licensed banks	23,489,642	22,047,211	46,413	19,544
	44,135,167	49,151,819	1,645,137	1,150,055

Deposits with licensed banks are made for one day to three months, and earn interests at the respective short-term deposit rates. The interest rates as at 30 April 2023 for the Group range from 0.65% - 2.75% (2022: 0.125% - 0.81%) per annum and the interest rate for the Company range from 0.65% - 0.90% (2022: 0.65%) per annum.

Notes to the Financial Statements
For the financial year ended 30 April 2023

18. Loans and borrowings

	Group	
	2023 RM	2022 RM
Current		
Unsecured:		
Bankers' acceptance	96,624,234	79,334,414
Onshore foreign currency loan	40,623,593	25,880,284
Revolving credit	174,815,841	169,191,747
Trust receipts	16,107,364	14,119,659
Term loans	47,731,365	46,226,419
	<u>375,902,397</u>	<u>334,752,523</u>
Non-current		
Unsecured:		
Term loans	21,494,084	33,853,066
	<u>397,396,481</u>	<u>368,605,589</u>

The remaining maturities of the loans and borrowings as at 30 April 2023 and 2022 are as follows:

	Group	
	2023 RM	2022 RM
On demand or within 1 year	375,902,397	334,752,523
More than 1 year and less than 2 years	13,356,123	22,796,125
More than 2 years and less than 5 years	7,991,436	11,056,941
More than 5 years	146,525	-
	<u>397,396,481</u>	<u>368,605,589</u>

Notes to the Financial Statements
For the financial year ended 30 April 2023

18. Loans and borrowings (Cont'd)

At the reporting date, the applicable interest rates per annum ("p.a.") are as follows:

	Group	
	2023 % p.a.	2022 % p.a.
Fixed rate:		
Bankers' acceptance	2.48 – 4.30	2.14 – 2.71
Onshore foreign currency loan	5.63 – 6.28	1.05 – 2.63
Revolving credit	1.80 – 7.08	0.92 – 3.20
Trust receipts	1.95 – 6.32	1.80 – 2.43
Term loans	6.11 – 6.64	0.91 – 2.27
Floating rate:		
Revolving credit	-	3.20
Term loans	3.45 – 4.64	<u>3.41 – 3.45</u>

Bankers' acceptance are denominated in RM.

Onshore foreign currency loan, revolving credit, term loans and trust receipts are denominated in RM and United States Dollar ("USD").

The loans and borrowings have the following terms:

- corporate guarantees from the Company; and
- negative pledge over the assets of certain subsidiaries.

As at 30 April 2023, the Group's financial ratio of its total bank borrowing divided by earnings before interest, tax, depreciation and amortisation is 5.97 times. Nibong Tebal Paper Mill Sdn. Bhd. and Nibong Tebal Personal Care Sdn. Bhd. have breached the financial covenants of their bank borrowing which shall not exceed 5.00 times at all times. Nonetheless, subsequent to the financial year ended, the lending bank has granted to the Group the indulgence to resolve the breach of the financial covenants. The lending bank is agreeable to continue extending the banking facilities until the next review.

19. Retirement benefit obligations

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees in Malaysia and Thailand. Under the Scheme, employees with a minimum period of service of 5 years are entitled to retirement benefits which are calculated at 50% of last drawn monthly salary multiplied by the number of their years of service on attainment of the retirement age of 60.

The amount recognised at the reporting date represents the present value of the unfunded defined benefit obligations, analysed as follows:

	Group	
	2023 RM	2022 RM
Current	880,192	848,875
Non-current	15,670,705	14,026,531
	16,550,897	<u>14,875,406</u>

Notes to the Financial Statements
For the financial year ended 30 April 2023

19. Retirement benefit obligations (Cont'd)

The amounts recognised in profit or loss are as follows:

	Group	
	2023 RM	2022 RM
Current service cost	1,199,491	864,639
Interest cost	721,218	645,144
Total, included in employee benefits expense	1,920,709	1,509,783

Movements in the net liability in the current year were as follows:

	Group	
	2023 RM	2022 RM
At 1 May	14,875,406	13,527,791
Amounts recognised in profit or loss (Note 6)	1,920,709	1,509,783
Amounts recognised in other comprehensive income	53,419	28,578
Contributions paid	(299,750)	(189,304)
Exchange differences	1,113	(1,442)
At 30 April	16,550,897	14,875,406

Principal actuarial assumptions used:

	Group	
	2023 %	2022 %
Discount rate	4.80	4.80
Expected rate of salary increases	6.00	6.00

A quantitative sensitivity analysis for significant assumptions as at 30 April 2023 and 2022 is as shown below:

Assumptions	Salary increment rate			
	Discount rate		Salary increment rate	
	1% increase RM	1% decrease RM	1% increase RM	1% decrease RM

Sensitivity Level

2023

Impact on the net defined benefit obligations (1,871,042) 2,234,349 2,571,876 (2,163,915)

2022

Impact on the net defined benefit obligations (1,743,497) 2,087,819 2,256,146 (1,904,963)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to the Financial Statements
For the financial year ended 30 April 2023

19. Retirement benefit obligations (Cont'd)

The following payments are expected contributions to be made in the future years out of the defined benefit plan obligations:

	2023 RM	2022 RM
Within the next 12 months (next annual reporting period)	880,192	848,875
Between 2 and 5 years	3,050,017	1,875,450
Between 5 and 10 years	6,570,022	6,209,252
After 10 years	65,336,847	65,122,607
Total expected payments	75,837,078	74,056,184

20. Trade and other payables

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Trade payables				
Trade payables	50,834,854	51,053,552	-	-
Due to subsidiaries	-	-	28,307	384,896
	50,834,854	51,053,552	28,307	384,896
Other payables				
Due to subsidiaries	-	-	570,560	-
Due to directors	249,107	285,279	181,809	220,310
Accrual for payroll related expenses	18,395,646	15,573,870	2,209,741	2,307,682
Indirect taxes	7,443,405	7,102,335	-	-
Other statutory payables	1,936,639	1,889,335	112,532	98,081
Customer rebates	22,777,569	20,343,333	-	-
Accruals of other expenses	12,826,548	10,513,138	239,111	219,184
Sundry payables	16,410,273	19,350,283	26,061	8,910
	80,039,187	75,057,573	3,339,814	2,854,167
Total trade and other payables	130,874,041	126,111,125	3,368,121	3,239,063
Add: Loans and borrowings (Note 18)	397,396,481	368,605,589	-	-
Add: Lease liabilities (Note 22)	3,685,228	3,537,835	121,909	206,164
Less: Non contractual payroll related expenses	(10,912,968)	(11,462,939)	(1,257,263)	(1,543,671)
Less: Indirect taxes	(7,443,405)	(7,102,335)	-	-
Less: Other statutory payables	(1,936,639)	(1,889,335)	(112,532)	(98,081)
Total financial liabilities carried at amortised cost	511,662,738	477,799,940	2,120,235	1,803,475

Notes to the Financial Statements
For the financial year ended 30 April 2023

20. Trade and other payables (Cont'd)

(a) Trade payables

The trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 7 to 90 days (2022: 7 to 90 days).

(b) Other payables

The amounts due to directors represent payroll related expenses and advances from the directors of the Company and its subsidiaries. The advances due are interest free and repayable upon demand.

(c) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free and are repayable upon demand.

21. Derivative liabilities

	Group			
	2023 Contract/ Notional amount RM	2023 Liabilities RM	2022 Contract/ Notional amount RM	2022 Liabilities RM
Non-Current				
Term loan	26,872,159	(222,159)	-	-
Current				
Forward currency contracts	-	-	11,006,461	(196,719)
	26,872,159	(222,159)	11,006,461	(196,719)

The Group uses foreign currency-denominated borrowings and foreign currency contracts to manage some of its transaction exposures. These are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

In financial year 2023, term loan with cross currency interest rate swap is mainly used to hedge the Group's borrowings denominated in United States Dollar ("USD") for a period of 5 years whereby the Group 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.

In financial year 2022, forward currency contracts are mainly used to hedge the Group's sales denominated in Singapore Dollar ("SGD") and United States Dollar ("USD") which firm commitments existed at the reporting date.

During the financial year, the Group recognised a loss of RM25,440 (2022: RM125,787) arising from fair value changes of derivative liabilities. The fair value changes are attributable to changes in marked-to-market ("MTM"), foreign exchange spot and forward rate. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 29.

Notes to the Financial Statements
For the financial year ended 30 April 2023

22. Lease liabilities

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 May	3,537,835	3,782,390	206,164	302,484
Additions	3,548,813	3,224,816	28,532	-
Payments for the year	(2,608,087)	(2,423,570)	(120,600)	(108,000)
Accretion of interest (Note 8)	140,446	120,390	7,813	11,680
Modification of lease	-	(36,339)	-	-
Termination of lease	(1,000,904)	(1,184,952)	-	-
Exchange differences	67,125	55,100	-	-
	<u>3,685,228</u>	<u>3,537,835</u>	<u>121,909</u>	<u>206,164</u>
Presented as:				
Current	1,936,639	2,035,541	121,909	100,760
Non-current	1,748,589	1,502,294	-	105,404

The remaining maturities of the lease liabilities as at 30 April 2023 and 2022 are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
On demand or within 1 year	1,936,639	2,035,541	121,909	100,760
More than 1 year and less than 2 years	1,168,383	1,209,421	-	105,404
More than 2 years and less than 5 years	580,206	292,873	-	-
	<u>3,685,228</u>	<u>3,537,835</u>	<u>121,909</u>	<u>206,164</u>

The following are the amounts recognised in profit or loss:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Depreciation of right-of-use assets	3,350,274	3,320,767	108,386	96,515
Expenses relating to short-term leases and leases of low-value assets	240	18,314	-	-
Gain on contract modification	-	(79)	-	-
Gain on lease termination	(17,972)	(39,128)	-	-
Interest expense on lease liabilities	140,446	120,390	7,813	11,680
Total amount recognised in profit and loss	<u>3,472,988</u>	<u>3,420,264</u>	<u>116,199</u>	<u>108,195</u>

The Group and the Company had total cash outflows for leases of RM2,608,327 (2022: RM2,441,884) and RM120,600 (2022: RM108,000) respectively for the financial year ended 30 April 2023.

Notes to the Financial Statements
For the financial year ended 30 April 2023

23. Share capital

	Number of ordinary shares		Amount	
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid)	Treasury shares
			RM	RM
At 30 April 2022/30 April 2023	1,123,200,000	(160,000)	112,320,000	(109,376)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

There was no treasury share acquired during the financial year.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

24. Other reserves

	Asset revaluation reserve RM	Foreign currency translation reserve RM	Total RM
Group			
At 30 April 2021	78,924,786	9,193,868	88,118,654
Foreign currency translation	-	(6,054,297)	(6,054,297)
Revaluation of land and buildings	23,902,871	-	23,902,871
At 30 April 2022	102,827,657	3,139,571	105,967,228
Foreign currency translation	-	1,405,049	1,405,049
Revaluation of land and buildings	3,071,565	-	3,071,565
At 30 April 2023	105,899,222	4,544,620	110,443,842

The nature and purpose of each category of reserves are as follows:

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of freehold land and buildings and decreases to the extent that such decreases relate to increases on the same asset previously recognised in equity.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

Notes to the Financial Statements
For the financial year ended 30 April 2023

25. Retained profits

The Company may distribute dividends out of its entire retained profits as at 30 April 2023 and 2022 under the single tier system.

26. Dividends

	Dividend recognised in the year		Net dividend per share	
	2023	2022	2023	2022
	RM	RM	Sen	Sen
In respect of the financial year ended 30 April 2023:				
Single tier first interim dividend paid on 28 October 2022	8,984,320	-	0.80	-
In respect of the financial year ended 30 April 2022:				
Single tier first interim dividend paid on 29 October 2021	-	8,984,320	-	0.80
Single tier second interim dividend paid on 21 January 2022	-	8,984,320	-	0.80
	8,984,320	17,968,640	0.80	1.60

The directors do not recommend the payment of any final dividend for the current financial year.

27. Related party disclosures

	Group	
	2023 RM	2022 RM
Purchase of sanitary napkin (trading goods) from Jin Teik Organic Health Food Sdn. Bhd., a company connected to certain directors of the Group	4,313,689	3,229,513

	Company	
	2023 RM	2022 RM
Dividend income received/receivable from subsidiaries	9,000,000	18,000,000
Management fee paid/payable to a subsidiary (i)	17,907	114,382
Management fees received/receivable from subsidiaries (i)	9,536,157	8,998,306
Interest income received/receivable from subsidiaries	4,116,609	3,283,989
Lease payments made to a subsidiary (i)	120,600	108,000

(i) The amounts of management fees, interest income and lease payments were arrived at in accordance with prices negotiated between the parties.

Notes to the Financial Statements
For the financial year ended 30 April 2023

27. Related party disclosures (Cont'd)

Information regarding outstanding balances arising from related party transactions as at 30 April 2023 and 2022 are disclosed in Notes 16 and 20.

The remuneration of key management during the year were as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short term employee benefits	6,715,979	7,257,938	4,303,241	4,863,655
Post-employment benefit:				
Defined contribution plan	607,590	697,399	454,603	538,998
	7,323,569	7,955,337	4,757,844	5,402,653
Included in the total remuneration of key management personnel are:				
Directors' remuneration	7,323,569	7,955,337	4,757,844	5,402,653

28. Capital commitments

	Group	
	2023 RM	2022 RM
Capital expenditure:		
Approved and contracted for:		
Motor vehicle	157,000	-
Furniture, fittings, renovation, air conditioners, office equipment and computers	3,796,034	98,000
Plant and machinery	505,496	3,843,229
	4,458,530	3,941,229
Approved and not contracted for:		
Furniture, fittings, renovation, air conditioners, office equipment and computers	-	148,000

29. Fair value of assets and liabilities

(a) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of the assets and liabilities carried at fair value by level of fair value hierarchy:

Group	Quoted prices in active markets for identical instruments (Level 1) RM	Significant other observable inputs (Level 2) RM	Significant unobservable inputs (Level 3) RM	Total RM
At 30 April 2023				
Non-financial assets				
- Land and buildings (Note 11)				
- Freehold land	-	-	127,741,076	127,741,076
- Buildings	-	-	156,603,920	156,603,920
Financial asset				
- Insurance asset (Note 16)	-	998,890	-	998,890
Financial liability				
- Derivative liabilities (Note 21)	-	222,159	-	222,159
At 30 April 2022				
Non-financial assets				
- Land and buildings (Note 11)				
- Freehold land	-	-	127,670,259	127,670,259
- Buildings	-	-	148,667,409	148,667,409
Financial liability				
- Derivative liabilities (Note 21)	-	196,719	-	196,719

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements
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29. Fair value of assets and liabilities (Cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (Cont'd)

Level 3 fair value measurements

i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

	Fair value RM	Valuation Techniques	Unobservable inputs	Range
Property, plant and equipment				
- Freehold land	127,741,076 (2022: 127,670,259)	Market comparable approach (2022: Market comparable approach)	Difference in location, time factor and size	-40% to 55% (2022: -60% to 35%)
- Buildings	156,603,920 (2022: 148,667,409)	Depreciated replacement cost approach (2022: Depreciated replacement cost approach)	Difference in location, time factor and size	-57% to -3% (2022: -55% to -2%)

For property, plant and equipment, a significant increase/(decrease) in yield adjustments based on management's assumptions would result in significantly higher/(lower) fair value measurements.

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonable possible alternative assumptions.

	Carrying amount RM	Effect of reasonable possible alternative assumptions – Increase/(Decrease)	
		Profit or loss RM	Other comprehensive income RM

2023

Property, plant and equipment			
- Freehold land	127,741,076	-	1,056,518
- Buildings	156,603,920	4,829,143	1,118,500

2022

Property, plant and equipment			
- Freehold land	127,670,259	-	1,075,160
- Buildings	148,667,409	4,727,494	899,756

In order to determine the effect of the above reasonable possible alternative assumptions, the Group adjusted the following key unobservable input used in the fair value measurement:

- The Group adjusted the unobservable inputs by increasing the adjustments by 1% depending on the location, time factor and size of the specific properties.

29. Fair value of assets and liabilities (Cont'd)

(a) Fair value of assets and liabilities that are carried at fair value (Cont'd)

Level 3 fair value measurements (Cont'd)

ii) Movement in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Property, plant and equipment	
	Freehold land RM	Buildings RM
At 30 April 2023		
Opening balance	127,670,259	148,667,409
Reclassification	-	241,147
Revaluation surplus recognised in other comprehensive income	70,817	4,228,956
Revaluation surplus recognised in profit or loss	-	3,215,908
Translation difference	-	250,500
Closing balances	127,741,076	156,603,920
At 30 April 2022		
Opening balance	111,575,500	121,260,175
Additions	-	18,635
Reclassification	-	12,616,081
Revaluation surplus recognised in other comprehensive income	16,094,759	12,743,750
Revaluation deficit recognised in profit or loss	-	(633,968)
Translation difference	-	2,662,736
Closing balances	127,670,259	148,667,409

iii) Valuation policies and procedures

The Group engages external professional property valuers to perform the valuation and fair value determination of all its real properties on an annual basis. Changes in Level 3 fair values are analysed and evaluated by the management after obtaining the valuation report from the external valuation experts for reasonableness before adoption into the annual accounts.

Notes to the Financial Statements
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29. Fair value of assets and liabilities (Cont'd)

(b) Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	16
Loans and borrowings	18
Trade and other payables	20
Lease liabilities	22

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Amounts due from subsidiaries, staff loans, and fixed rate bank loans

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

30. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the executive directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

30. Financial risk management objectives and policies (Cont'd)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by limiting their associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reports.

The Group has not provided any lifetime expected credit losses ("ECL") for trade receivables as based on the Group's historical trend, there were no significant default events observed or incurred.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Group Chief Executive Officer.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- A nominal amount of RM397,396,481 (2022: RM368,605,589) relating to corporate guarantees provided by the Company to banks as securities for the subsidiaries' bank borrowings as disclosed in Note 18.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 16.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	2023 RM	%	2022 RM	%
By country:				
Malaysia	87,200,816	76	85,096,472	75
Singapore	16,187,473	14	15,378,613	14
Other countries	11,193,903	10	11,818,404	11
	114,582,192	100	112,293,489	100
By industry sector:				
Hypermarket and supermarket	47,297,248	41	48,177,005	43
Wholesale	11,206,810	10	12,868,698	11
Other retail	40,625,990	35	39,292,543	35
Commercial/others	15,452,144	14	11,955,243	11
	114,582,192	100	112,293,489	100

At the reporting date, approximately 32% (2022: 31%) of the Group's trade receivables were due from 10 (2022: 10) major customers who are located in Malaysia and Singapore.

Notes to the Financial Statements
For the financial year ended 30 April 2023

30. Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 16. Deposits with banks and other financial institutions and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of available credit facilities.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet the working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position. Furthermore, the Group and the Company are able to raise funds from both capital markets and financial institutions and balance their portfolios with a combination of a mixture of short and long term fundings so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

	2023			Total RM
	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	
Group				
Financial assets:				
Trade and other receivables	117,740,045	-	-	117,740,045
Cash and bank balances	44,135,167	-	-	44,135,167
Total undiscounted financial assets	161,875,212	-	-	161,875,212
Financial liabilities:				
Trade and other payables	110,581,029	-	-	110,581,029
Derivative liabilities	222,159	-	-	222,159
Loans and borrowings	383,981,520	22,924,130	-	406,905,650
Lease liabilities	2,038,845	1,805,244	-	3,844,089
Total undiscounted financial liabilities	496,823,553	24,729,374	-	521,552,927

30. Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	2022			Total RM
	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	
Group				
Financial assets:				
Trade and other receivables	114,488,934	-	-	114,488,934
Cash and bank balances	49,151,819	-	-	49,151,819
Total undiscounted financial assets	163,640,753	-	-	163,640,753
Financial liabilities:				
Trade and other payables	105,656,516	-	-	105,656,516
Derivative liabilities	196,719	-	-	196,719
Loans and borrowings	337,844,668	36,090,278	-	373,934,946
Lease liabilities	2,177,945	1,533,638	-	3,711,583
Total undiscounted financial liabilities	445,875,848	37,623,916	-	483,499,764
	2023			Total RM
	On demand or within 1 year RM	1 to 5 years RM		
Company				
Financial assets:				
Trade and other receivables	1,569,445	106,776,397		108,345,842
Cash and bank balances	1,645,137	-		1,645,137
Total undiscounted financial assets	3,214,582	106,776,397		109,990,979
Financial liabilities:				
Trade and other payables	1,998,326	-		1,998,326
Lease liabilities	124,800	-		124,800
Total undiscounted financial liabilities	2,123,126	-		2,123,126

Notes to the Financial Statements
For the financial year ended 30 April 2023

30. Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	2022		Total RM
	On demand or within 1 year RM	1 to 5 years RM	
Company			
Financial assets:			
Trade and other receivables	549,316	105,399,741	105,949,057
Cash and bank balances	1,150,055	-	1,150,055
Total undiscounted financial assets	1,699,371	105,399,741	107,099,112
Financial liabilities:			
Trade and other payables	1,597,311	-	1,597,311
Lease liabilities	108,000	108,000	216,000
Total undiscounted financial liabilities	1,705,311	108,000	1,813,311

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings while the Company's interest rate risk arises primarily from its intercompany receivables. Loans and borrowings and intercompany receivables charged at floating rates expose the Group and the Company to cash flow interest rate risk.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 (2022: 50) basis point higher/(lower), with all other variables held constant, the Group's and the Company's profit net of tax would have been RM230,870 (2022: RM178,975) lower/(higher) and RM405,750 (2022: RM400,519) higher/(lower) respectively.

30. Financial risk management objectives and policies (Cont'd)

(c) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk (Cont'd)

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's and the Company's profit net of tax (through the impact on interest expense from floating rate loans and borrowings) and of the Company's profit net of tax (through the impact on interest income from floating rate advances to certain subsidiaries).

2023	Increase/ (Decrease) in basis point	Group Effect on profit net of tax RM	Company Effect on profit net of tax RM
- Ringgit Malaysia	+50	(230,870)	405,750
- Ringgit Malaysia	-50	230,870	(405,750)
2022			
- Ringgit Malaysia	+50	(178,975)	400,519
- Ringgit Malaysia	-50	178,975	(400,519)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily RM, Singapore Dollar ("SGD"), Vietnamese Dong ("VND") and Thai Baht ("THB"). The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD").

Approximately 27% (2022: 27%) of the Group's sales are denominated in foreign currency whilst almost 32% (2022: 36%) of the Group's costs is denominated in the foreign currency. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances amounted to RM23,368,225 (2022: RM7,856,370) for the Group.

The Group uses forward currency contracts to mitigate the currency exposures on any firm commitment for sales or borrowings.

During the year ended 30 April 2023, the Group have not hedged any (2022: 5%) of its foreign currencies denominated sales.

Notes to the Financial Statements
For the financial year ended 30 April 2023

30. Financial risk management objectives and policies (Cont'd)

(d) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and Company's profit net of tax to a reasonably possible change in the various exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

2023	(Decrease)/Increase	
	Group Profit net of tax RM	Company Profit net of tax RM
AUD/MYR - strengthened 5%	(48)	-
- weakened 5%	48	-
EUR/MYR - strengthened 5%	(169,476)	-
- weakened 5%	169,476	-
GBP/MYR - strengthened 5%	(3,768)	-
- weakened 5%	3,768	-
JPY/MYR - strengthened 5%	(425)	-
- weakened 5%	425	-
RMB/MYR - strengthened 5%	(72,024)	-
- weakened 5%	72,024	-
THB/MYR - strengthened 5%	1,575,302	-
- weakened 5%	(1,575,302)	-
USD/MYR - strengthened 5%	(7,109,153)	9,089
- weakened 5%	7,109,153	(9,089)
SGD/MYR- strengthened 5%	3,297,917	14,535
- weakened 5%	(3,297,917)	(14,535)
USD/SGD- strengthened 5%	(1,325,909)	-
- weakened 5%	1,325,909	-

30. Financial risk management objectives and policies (Cont'd)

(d) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

The following table demonstrates the sensitivity of the Group's and Company's profit net of tax to a reasonably possible change in the various exchange rates against the respective functional currencies of the Group entities, with all other variables held constant. (Cont'd)

2022	(Decrease)/Increase	
	Group Profit net of tax RM	Company Profit net of tax RM
EUR/MYR - strengthened 5%	(69,246)	-
- weakened 5%	69,246	-
JPY/MYR - strengthened 5%	(13,126)	-
- weakened 5%	13,126	-
THB/MYR - strengthened 5%	905,828	-
- weakened 5%	(905,828)	-
USD/MYR - strengthened 5%	(5,279,668)	8,300
- weakened 5%	5,279,668	(8,300)
SGD/MYR- strengthened 5%	2,903,256	19,801
- weakened 5%	(2,903,256)	(19,801)
USD/SGD- strengthened 5%	(2,196,267)	-
- weakened 5%	2,196,267	-

31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating, interest coverage ratio and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To manage or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 April 2023 and 2022.

Notes to the Financial Statements
For the financial year ended 30 April 2023

31. Capital management (Cont'd)

The Group monitors capital using net gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the Group's net gearing ratio at a level deemed appropriate considering business, economic and investment conditions.

	Group	
	2023 RM	2022 RM
Loans and borrowings (Note 18)	397,396,481	368,605,589
Less: Cash and bank balances (Note 17)	(44,135,167)	(49,151,819)
Net debt	353,261,314	319,453,770
Equity attributable to owners of the parent, representing capital	510,370,179	520,799,894
Capital and net debt	863,631,493	840,253,664
Net gearing ratio	41%	38%

32. Segmental information

(a) Product segments:

The operations of the Group mainly consist of the manufacturing of two main products, which are:

- i. Tissue paper products such as toilet rolls, tissues and serviettes; and
- ii. Personal care products such as sanitary products, baby diapers, adult diapers, cotton products and wet tissue.

2023	Tissue paper RM	Personal care RM	Elimination RM	Consolidated RM
Revenue				
Revenue from external customers	619,000,610	249,288,314	-	868,288,924
Inter-segment	8,384,772	9,736,350	(18,121,122)	-
Total revenue				868,288,924
Results				
Segment results	(12,352,952)	26,871,448	-	14,518,496
Interest income				303,280
Operating profit				14,821,776
Finance costs				(14,648,162)
Profit before tax				173,614
Income tax expense				(6,055,025)
Profit net of tax				(5,881,411)

Notes to the Financial Statements
For the financial year ended 30 April 2023

32. Segmental information (Cont'd)

(a) Product segments: (Cont'd)

2023	Tissue paper RM	Personal care RM	Elimination RM	Consolidated RM
Assets and liabilities				
Segment assets	922,132,602	142,432,563	-	1,064,565,165
Unallocated assets:				
Deferred tax assets				2,142,205
Tax assets				14,890,122
Consolidated total assets				<u>1,081,597,492</u>
Segment liabilities				
Unallocated liabilities:	97,853,457	53,478,868	-	151,332,325
Loans and borrowings				397,396,481
Tax liabilities				336,968
Deferred tax liabilities				22,161,539
Consolidated total liabilities				<u>571,227,313</u>
Other information				
Additions to non-current assets	18,066,926	3,192,761	-	21,259,687
Depreciation	43,460,080	8,637,449	-	52,097,529
Non-cash expenses other than depreciation and amortisation	(1,325,803)	(678,433)	-	(2,004,236)
2022				
Revenue				
Revenue from external customers	534,835,744	230,063,323	-	764,899,067
Inter-segment	11,610,538	8,366,247	(19,976,785)	-
Total revenue				<u>764,899,067</u>
Results				
Segment results	16,375,800	34,242,025	-	50,617,825
Interest income				167,000
Operating profit				50,784,825
Finance costs				(7,297,341)
Profit before tax				43,487,484
Income tax expense				(14,974,525)
Profit net of tax				<u>28,512,959</u>

Notes to the Financial Statements
For the financial year ended 30 April 2023

32. Segmental information (Cont'd)

(a) Product segments: (Cont'd)

2022	Tissue paper RM	Personal care RM	Elimination RM	Consolidated RM
Assets and liabilities				
Segment assets	884,975,907	162,667,378	-	1,047,643,285
Unallocated assets:				
Deferred tax assets				853,125
Tax assets				<u>9,996,494</u>
Consolidated total assets				<u>1,058,492,904</u>
Segment liabilities	102,695,631	42,025,454	-	144,721,085
Unallocated liabilities:				
Loans and borrowings				368,605,589
Tax liabilities				693,553
Deferred tax liabilities				<u>23,672,783</u>
Consolidated total liabilities				<u>537,693,010</u>
Other information				
Additions to non-current assets	33,438,928	4,162,497	-	37,601,425
Depreciation	39,301,272	8,257,302	-	47,558,574
Non-cash expenses other than depreciation and amortisation	<u>(8,033,670)</u>	<u>1,580,289</u>	-	<u>(6,453,381)</u>

32. Segmental information (Cont'd)

(b) Geographical segments:

The Group's operations are mainly located in Malaysia, except those of the subsidiaries in Singapore, Thailand and Vietnam. The customers for the manufacturing businesses are located worldwide, namely in Singapore and other countries such as Hong Kong, Brunei, the Philippines, South Africa, Australia and New Zealand.

	Total revenue from external customers		Segment assets		Additions to non-current assets	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Malaysia	624,714,958	551,482,072	789,615,307	786,659,996	12,007,458	28,704,899
Singapore	86,889,204	74,569,868	22,188,660	21,163,868	458,735	19,416
Thailand	43,773,802	31,119,785	16,654,058	16,012,394	375,395	-
Vietnam	69,934,258	61,528,498	236,107,140	223,807,027	8,418,099	8,877,110
Others *	42,976,702	46,198,844	-	-	-	-
Consolidated	868,288,924	764,899,067	1,064,565,165	1,047,643,285	21,259,687	37,601,425

* Others mainly refer to countries such as New Zealand, Australia, Brunei, India, Mauritius, Papua New Guinea and other countries in Africa, South Asia and Southeast Asia.

Information about major customers

Revenue from 10 (2022: 10) major customers amounting to RM253,021,192 (2022: RM236,913,876) arose from sales made to the tissue paper and personal care segment.

Notes to the Financial Statements
For the financial year ended 30 April 2023

33. Comparatives

Certain comparative figures have been reclassified to conform with current year's presentation as set out below:

	2022 (as previously stated) RM	Adjustments RM	2022 (as restated) RM
Statements of comprehensive income			
Group			
Other operating income	3,930,554	9,728,650	13,659,204
Other operating expenses	(13,523,958)	(9,728,650)	(23,252,608)
Company			
Other operating income	3,306,145	2,799	3,308,944
Other operating expenses	<u>(1,058,283)</u>	(2,799)	<u>(1,061,082)</u>

34. Authorisation of financial statements for issue

The financial statements for the year ended 30 April 2023 were authorised for issue in accordance with a resolution of the directors on 21 August 2023.

List of Properties

Location/ Address	Description of property/ Existing use	Land/ Built-up Area (Sq. m.)	Approximate Age of Building (Year)	Tenure	Registered Owner	NBV 30.4.2023 RM	Date of Valuation
1 Lot 109, Lot 609, Lot 808, Lot 811, Lot 1126, Lot 1127, Lot 1129, Lot 1131, Lot 1132, Lot 1133, Lot 1136, Lot 1139, Lot 810, Lot 958, Lot 959, Lot 1138, Lot 1140, Lot 1143 Mukim 8, Seberang Perai Selatan, Penang.	All the Lots are utilised as paper mill and paper related manufacturing factory with exception of Lot 1127, Lot 1132, Lot 1140, Lot 958, Lot 959, Lot 1143 & Lot 810 which are currently vacant. The entire factory is located at No. 886, Jalan Bandar Baru, Sungai Kecil, 14300 Nibong Tebal.	260,356/ 108,727	Between 1 to 44	Freehold industrial land	NTPM	123,220,000	30.4.2023
2 Lot 642, Grant No. 2263, Mukim 8, Seberang Perai Selatan, Penang.	A parcel of agricultural land.	52,102	-	Freehold agricultural land	NTPM	3,119,328	30.4.2023
3 Lot 5787, Pajakan Negeri No 41687, Mukim of Parit Buntar, District of Krian, Perak.	A factory complex with a gross built-up area of 3,100 sq.m located at P.t. No 139, Kawasan Perusahaan Parit Buntar, which presently is utilised as wet wipe manufacturing plant.	4,165/ 3,294	Between 12 to 27	Leasehold industrial land for a term of 60 years expiring on 22.10.2047	NTPM	1,589,183	30.4.2023
4 Lot 6292, Lot 6293, Lot 6294 & Lot 6295 Mukim 7, and Lot 794, G.M. 277, Mukim 8, Seberang Perai Selatan, Penang.	Lot 6293 & Lot 6295 - vehicle workshop building. Lot 794 - pump house. Lot 6292 & Lot 6294 are utilised as sanitary napkin and cotton products manufacturing plant.	69,456/ 27,999	Between 3 to 21	Freehold industrial land except for Lot 794 which is a freehold agricultural land	NTPM	36,500,000	30.4.2023

List of Properties

Location/ Address	Description of property/ Existing use	Land/ Built-up Area (Sq. m.)	Approximate Age of Building (Year)	Tenure	Registered Owner	NBV 30.4.2023 RM	Date of Valuation
5 H.S.(D) 224308 PTD No. 41665 Senai-Kulai, Johor Bahru, Johor.	An office and warehouse complex.	4,390/ 1,955	20	Freehold land	NTPM	3,950,000	30.4.2023
6 No 5, Jalan Tiang U8/93, Bukit Jelutong Industrial Park, Shah Alam, Selangor.	An office and warehouse complex.	10,119/ 6,004	Between 13 to 18	Freehold industrial land	NTPM	25,300,000	30.4.2023
7 Lot No 784, G.M. 267, Lot No 786, G.M. 269, Lot No 787, G.M. 270, Lot No 788, G.M. 271, Lot No 789, G.M. 273, Lot No 790, G.M. 274, Lot No 799, G.M. 279, Lot No 800, G.M. 280, Lot No 960, G.M. 504, Lot No 812, G.M. 287, Mukim 8, Seberang Perai Selatan, Penang.	Vacant agriculture land except for the following: Lot 784, Lot 786, Lot 787, Lot 788 & Lot 960 which are utilised as open storage yard for waste paper and material feed for boiler.	116,529/ 1,212	9	Freehold land	NTPM	11,979,996	30.4.2023
8 Lot 7278, Pajakan Negeri, Mukim Parit Buntar, Daerah Kerian, Perak	A personal care manufacturing factory, office & warehouse factory located at P.t. No 3688, Jln Perusahaan 3, Kawasan Perindustrian Parit Buntar, 34200 Parit Buntar.	16,192/ 11,954	Between 14 to 15	Leasehold industrial land for a term of 60 years expiring on 1.6. 2050	NTPC	5,499,581	30.4.2023
9 Lot 192, G.M. 423, Mukim Senai, Kulaijaya, Johor	Vacant industrial land.	21,094	-	Freehold land	NTPM	8,500,000	30.4.2023

List of Properties

Location/ Address	Description of property/ Existing use	Land/ Built-up Area (Sq. m.)	Approximate Age of Building (Year)	Tenure	Registered Owner	NBV 30.4.2023 RM	Date of Valuation
10 Lot 8389, Pajakan Negeri No. Hakmilik 49664, Lot 8390, Pajakan Negeri No. Hakmilik 49659, Lot 8391, Pajakan Negeri No. Hakmilik 49656, Mukim Krubong, Daerah Melaka Tengah, Melaka.	An office and warehouse complex.	6,354/ 4,315	12	Leasehold industrial land for a term of 99 years expiring on 24.11.2107	NTPM	6,915,757	30.4.2023
11 Lot 3A, Industrial Zone 7 (IZ 7) CL015582153, Kota Kinabalu Industrial Park (KKIP), Kota Kinabalu, Sabah.	Tissue converting plant and warehouse.	19,870/ 8,665	9	Leasehold industrial land for a term of 98 years expiring in 31.12.2096	NTPM	18,279,572	30.4.2023
12 Lot 148, 149, 150, 160, 161 & 162 VSIP IIA, Tan Uyen Town Binh Duong Province, Vietnam.	Paper Mill manufacturing factory and warehouse.	100,095/ 44,029	2 to 9	Leasehold industrial land for a term of 45 years expiring in 19.3.2058	NVCL	62,700,973	30.4.2023
13 HS(D) 18622 PT 6543, Mukim Sungai Karang, District Of Kuantan, State Of Pahang	Vacant industrial land.	11,768	-	Freehold land	NTPM	3,600,000	30.4.2023
14 Lot No.523, Mukim 8, Daerah Seberang Perai Selatan, Pulau Pinang	Vacant development land	4,225	-	Freehold land	NTPM	1,160,000	30.4.2023
15 Lot No. 498, 540, 806. Mukim 8, Daerah Seberang Perai Selatan Pulau Pinang	Vacant development land	18,742	-	Freehold land	NTPM	5,440,000	30.4.2023
						317,754,390	

Note: * date of acquisition

Analysis of Shareholdings

as at 31 July 2023

Issued Shares	:	1,123,200,000 Ordinary Shares
Class of Equity Securities	:	Ordinary Shares ("Share(s)")
Voting Rights	:	One (1) vote per Share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

No. of Holders	Size of Shareholdings	No. of Shareholdings	%#
56	Less than 100	1,820	*
568	100 - 1,000	351,447	0.03
2,955	1,001 - 10,000	16,874,741	1.50
2,099	10,001 to 100,000	71,273,699	6.35
412	100,001 to less than 5% of issued shares	348,407,611	31.02
3	5% and above of issued shares	686,130,682	61.10
6,093		1,123,040,000	100.00

Excluding 160,000 Shares which are currently held as treasury shares.

* Negligible

30 LARGEST SECURITIES ACCOUNT HOLDERS BASED ON RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%#
1	LEE SEE JIN	327,658,749	29.18
2	CGS-CIMB NOMINEES (ASING) SDN BHD PREMIER INVESTMENT LIMITED	251,760,736	22.42
3	LEE CHONG CHOON	106,711,197	9.50
4	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHONG CHOON	25,400,000	2.26
5	WU, KUN-CHIN	21,338,900	1.90
6	MDCON HOLDINGS SDN BHD	15,480,500	1.38
7	NG INN BEO	13,449,421	1.20
8	HSBC NOMINEES (ASING) SDN BHD TNTC FOR APOLLO ASIA FUND LTD.	12,245,500	1.09
9	TAN KIA SIEW	12,200,000	1.09
10	AMANAHRAYA TRUSTEES BERHAD PB SMALLCAP GROWTH FUND	11,839,900	1.05
11	TAN KIA CHUAN	9,398,000	0.84
12	SUSY DING	8,379,300	0.75
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	6,343,200	0.56
14	OOI YAN HUA	6,129,945	0.55

Analysis of Shareholdings
as at 31 July 2023

No.	Name	No. of Shares held	%#
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	5,931,200	0.53
16	HENG KIM NAM SDN. BHD.	5,000,000	0.45
17	AMANAHRAYA TRUSTEES BERHAD PUBLIC SELECT TREASURES EQUITY FUND	4,916,100	0.44
18	RHB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR WONG YEE HUI	4,350,000	0.39
19	LLSB 1980 HOLDINGS SDN BHD	4,033,000	0.36
20	NG LAY TUAN	3,790,301	0.34
21	TEOH TEIK JIN	3,748,500	0.33
22	NG LAY SIN	3,707,084	0.33
23	ANG TEE KEAT	3,500,000	0.31
24	NG CHONG KEE	3,260,000	0.29
25	LEE DAY HOON	3,237,334	0.29
26	OOI INN LOON	3,044,027	0.27
27	OOI KAR GUN	3,040,525	0.27
28	OOI KAH KENG	3,008,025	0.27
29	HENG KIM NAM	3,000,000	0.27
30	OOI TIN PHOCK	2,969,025	0.26

DIRECTORS' SHAREHOLDINGS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	No of Shares held				Note
	Direct	%#	Indirect	%#	
Lee See Jin	327,658,749	29.18	138,421,142	12.33	a
Lee Chong Choon	132,111,197	11.76	-	-	
Tan Choon Thye	-	-	353,700	0.03	b
Dato' Dr. Juita Binti Ghazalie	-	-	-	-	
Chang Hui Yui	100,000	0.01	-	-	
Nishant Grover	-	-	-	-	

Excluding 160,000 Shares which are currently held as treasury shares.

Notes:

- Deemed interests through his spouse and children pursuant to Section 59 of the Companies Act, 2016 ("Act").
- Deemed interests through his spouse pursuant to Section 59 of the Act.

Analysis of Shareholdings
as at 31 July 2023

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS
(excluding those who are bare trustee pursuant to Section 130 of the Companies Act, 2016)

Name of Substantial Shareholders	No. of Shares held				Note
	Direct	% [#]	Indirect	% [#]	
Lee See Jin	327,658,749	29.18	138,421,142	12.33	a
Lee Chong Choon	132,111,197	11.76	-	-	-
Premier Investment Limited	251,760,736	22.42	-	-	-
Oei Tjie Goan	-	-	251,760,736	22.42	b
Scotsdale Holding Limited	-	-	251,760,736	22.42	b
Titan (MY) Sdn Bhd	-	-	251,760,736	22.42	b
PT Purinusa Ekapersada	-	-	251,760,736	22.42	b
PT Pindo Deli Pulp and Paper Mills	-	-	251,760,736	22.42	b

Excluding 160,000 Shares which are currently held as treasury shares.

Notes:

- a. Deemed interests through his spouse and children pursuant to Section 59 of the Act.
- b. Deemed interests through his/its shareholdings in Premier Investment Limited by virtue of Section 8 of the Act.

INTERESTS IN THE RELATED CORPORATION

Mr. Lee See Jin, by virtue of his interest in Shares in the Company, is deemed interested in shares of all the Company's related corporations to the extent that the Company has an interest.

Save as disclosed above, none of the other Directors in office has any interest in shares in the Company's related corporations as at 31 July 2023.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh ("27th") Annual General Meeting ("AGM") of NTPM Holdings Berhad ("the Company") will be held at Bukit Jawi Golf Resort, 691, Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Pulau Pinang on Monday, 25 September 2023 at 9.30 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS: -

1. To receive the Audited Financial Statements for the financial year ended 30 April 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To re-elect the following Directors who are retiring by rotation pursuant to Regulation 136 of the Constitution of the Company ("Constitution") and being eligible, have offered themselves for re-election: -
 - (i) Mr. Lee Chong Choon; and
 - (ii) Mr. Tan Choon Thye.**Resolution 1
Resolution 2**
3. To re-elect Mr. Nishant Grover who is retiring pursuant to Regulation 141 of the Constitution and being eligible, has offered himself for re-election. **Resolution 3**
4. To approve the payment of Directors' fees amounting to RM345,000 for the financial year ended 30 April 2023. **Resolution 4**
5. To approve the payment of Directors' benefits (excluding Directors' fees) to the Directors of the Company up to an amount of RM50,000 for the period from 26 September 2023 until the next AGM to be held in year 2024. **Resolution 5**
6. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **Resolution 6**
7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution.

AS SPECIAL BUSINESS: -

8. To consider and if thought fit, with or without any modification, to pass the following resolutions which will be proposed as Ordinary Resolutions: -

8.1 Ordinary Resolution: -

Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")

Resolution 7

"THAT subject to the Companies Act, 2016 (the "Act"), the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), approval be and is hereby given to the Company and its subsidiaries (collectively the "Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.4 of Part A of the Circular to Shareholders dated 25 August 2023, provided that such transactions and/or arrangements which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company and that such approval shall continue be in full force until: -

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such resolution is passed at which time it will lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

Notice of Annual General Meeting

8. To consider and if thought fit, with or without any modification, to pass the following resolutions which will be proposed as Ordinary Resolutions: - (Cont'd)

**8.1 Ordinary Resolution: -
Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate") (Cont'd)**

- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

AND THAT authority be and is hereby given to the Board to do all such acts and things thereafter in accordance with the Act, the provisions of the Constitution of the Company and the requirements and/or guidelines of Bursa Securities and other relevant governmental and/or regulatory authorities to effect the Proposed New Shareholders' Mandate."

**8.2 Ordinary Resolution: -
Proposed Renewal of Share Buy-Back Authority**

Resolution 8

"THAT, subject to the Companies Act, 2016 (the "Act"), the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Board of Directors of the Company ("Board") be and are hereby authorised, to the fullest extent permitted by law, to purchase such number of ordinary shares in the Company ("Proposed Share Buy-Back") from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that: -

- (a) the aggregate number of ordinary shares to be purchased pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company; and
- (b) the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained earnings of the Company based on its Audited Financial Statements for the year ended 30 April 2023 of RM26,826,466.

THAT such authority shall commence immediately upon passing of this resolution until: -

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such resolution is passed at which time it will lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) The authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

Notice of Annual General Meeting

8. To consider and if thought fit, with or without any modification, to pass the following resolutions which will be proposed as Ordinary Resolutions: - (Cont'd)

8.2 Ordinary Resolution: - Proposed Renewal of Share Buy-Back Authority (Cont'd)

whichever occurs first;

but shall not prejudice the completion of the Proposed Share Buy-Back before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

AND THAT authority be and is hereby given to the Board to take all such steps as are necessary or expedient to implement, finalise, complete or to give full effect to the above purchase(s) with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be required or imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter in accordance with the Act, the provisions of the Constitution of the Company and the requirements and/or guidelines of Bursa Securities and other relevant governmental and/or regulatory authorities."

By Order of the Board,

YEOW SZE MIN (SSM PC No. 201908003120) (MAICSA 7065735)
LOW SEOW WEI (SSM PC No. 202008000437) (MAICSA 7053500)
Company Secretaries

Penang
25 August 2023

NOTES: -

1. Appointment of Proxy and/or Authorised Representatives

- (i) In respect of deposited securities, only members whose names appear on the Record of Depositors as at **15 September 2023** (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the 27th AGM.
- (ii) A member entitled to attend and vote at the 27th AGM is entitled to appoint up to two (2) proxies to attend and vote in his or her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (iii) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend the meeting shall have the same rights as the member to speak and vote at the meeting.
- (iv) In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- (v) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. The appointment of two (2) proxies in respect of any particular Securities Account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (vi) Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus Account"), there shall be no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds. Where an EAN appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless EAN specifies the proportion of its shareholding to be represented by each proxy.

Notice of Annual General Meeting

NOTES: - (Cont'd)

1. Appointment of Proxy and/or Authorised Representatives (Cont'd)

- (vii) The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

2. Poll Voting

Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in this notice will be put to vote by way of a poll.

EXPLANATORY NOTES

1. Audited Financial Statements for the financial year ended 30 April 2023

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require formal approval for the Audited Financial Statements from the shareholders and hence, Agenda 1 is not put forward for voting.

2. Resolutions 1, 2 and 3: Re-election of Directors

Regulation 136 of the Constitution states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Regulation 141 of the Constitution states that the Board of Directors may appoint a person who is willing to act as Director, either to fill a casual vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Regulation in the Constitution as the maximum number of Directors. A Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election, and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.

Mr. Lee Chong Choon and Mr. Tan Choon Thye, who retire in accordance with Regulation 136 of the Constitution, together with Mr. Nishant Grover who retires in accordance with Regulation 141 of the Constitution (collectively referred to as "Retiring Directors"), being eligible, have offered themselves for re-election.

The Nominating Committee ("NC") had recommended the re-election of Retiring Directors to the Board based on the following consideration: -

- (i) satisfactory performance and met Board's expectations in discharging their duties and responsibilities;
- (ii) met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company;
- (iii) level of independence demonstrated by the Independent Director; and
- (iv) their ability to act in the best interest of the Company in decision-making.

The Board endorsed the recommendation of the NC on the re-election of the Retiring Directors.

The profile of the Retiring Directors are stated on pages 15 and 16 of the Annual Report 2023 of the Company.

3. Resolutions 4 and 5: Payment of Directors' fees and benefits made payable to the Directors

Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Pursuant thereto, shareholders' approval will be sought at this 27th AGM for the following resolutions in relation to the fees and benefits to be made payable to the Directors: -

3.1 Ordinary Resolution 4 on the proposed Directors' fees of RM345,000 in respect of the financial year ended 30 April 2023

The Directors are entitled to annual Directors' fees. The proposed Directors' fees for all the Directors of the Company are maintained at RM60,000 per annum for each Director of the Company.

EXPLANATORY NOTES (Cont'd)

3. Resolutions 4 and 5: Payment of Directors' fees and benefits made payable to the Directors (Cont'd)

- 3.2 Ordinary Resolution 5 on the payment of Directors' benefits (excluding Directors' fees) to the Directors of the Company up to an amount of RM50,000 for the period from 26 September 2023 until the next AGM of the Company to be held in year 2024

Ordinary Resolution 5 on the payment of Directors' benefits (excluding Directors' fees) to the Directors of the Company pursuant to Section 230(1)(b) of the Act has been reviewed by the Board of Directors of the Company, which recognises that the Directors' benefit payable is in the best interest of the Company for the period from 26 September 2023 until the next AGM of the Company to be held in year 2024. The Directors' benefits comprise Directors and Officers Liabilities Insurance and the meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors.

In the event that the proposed Directors' fees and benefits payable to Directors are insufficient due to the enlarged size of the Board, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

4. Resolution 6 – Re-appointment of Auditors

The current auditors, Messrs. Ernst & Young PLT has expressed their willingness to continue in office.

The Audit Committee ("AC") and the Board have assessed the suitability and independence of the existing auditors and are satisfied with the performance, competency, audit approach and independence of Messrs. Ernst & Young PLT and collectively agreed that they have met the relevant criteria prescribed by Paragraph 15.21 of MMLR of Bursa Securities.

The Board endorsed AC's recommendation and seek shareholders' approval to re-appoint Messrs. Ernst & Young PLT as external auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

5. Resolution 7 – Proposed New Shareholders' Mandate

The proposed Ordinary Resolution 7, if passed, will enable the Group to enter into recurrent related party transactions of a revenue or trading nature involving interests of related parties, which are necessary for its day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and terms not more favorable to the related parties than those generally available to the public are not detrimental to minority shareholders of the Company.

Please refer Part A of the Circular to Shareholders for further information.

6. Resolution 8 – Proposed Renewal of Share Buy-Back Authority

The proposed adoption of Ordinary Resolution 8 is to renew the authority granted by the shareholders of the Company at the 26th AGM of the Company held on 23 September 2022.

The Proposed Renewal of Share Buy-Back Authority, if passed, will empower the Directors to buy back and/or hold up to a maximum of 10% of the total number of issued shares of the Company at the time of purchase by utilizing the funds allocated which shall not exceed the Company's retained earnings based on the latest audited financial statements for the financial year ended 30 April 2023. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

Please refer to Part B of the Circular to Shareholders for further information.

Notice of Annual General Meeting

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: -

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Statement Accompanying Notice Of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements)

1. Details of individuals who are standing for election as Directors

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 27th AGM.

Form of Proxy

Number of shares held	
CDS Account no.	



NTPM HOLDINGS BERHAD

Registration No. 199601012313 (384662-U)

启顺控股有限公司

(Incorporated in Malaysia)

I/We _____ (Tel:) _____ NRIC/Passport No. _____
(Full Name in Capital Letters) (Please provide contact number for better co-ordination)

of _____
(Full address in capital Letters)

being a member of **NTPM HOLDINGS BERHAD** ("the Company") hereby appoint the following person(s): -

First Proxy		
Full Name:	NRIC/Passport No.:	No. of shares or % of shares to be presented

and/or failing *him/her,

Second Proxy		
Full Name:	NRIC/Passport No.:	No. of shares or % of shares to be presented

or failing *him/her/them, the Chairman of the Meeting, as *my/our proxy to vote in *my/our name(s) on *my/our behalf at the Twenty-Seventh Annual General Meeting ("27th AGM") of the Company to be held at Bukit Jawi Golf Resort, 691, Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Pulau Pinang on Monday, 25 September 2023 at 9.30 a.m. and at any adjournment thereof.

*My/our proxy is to vote on the resolutions referred to in the Notice of 27th AGM as indicated below: -

ORDINARY RESOLUTIONS		First Proxy		Second Proxy	
		For	Against	For	Against
ORDINARY BUSINESS:					
Resolution 1	To re-elect Mr. Lee Chong Choon as Director				
Resolution 2	To re-elect Mr. Tan Choon Thye as Director				
Resolution 3	To re-elect Mr. Nishant Grover as Director				
Resolution 4	To approve the payment of Directors' fees				
Resolution 5	To approve the payment of Directors' benefits (excluding Directors' fees)				
Resolution 6	To re-appoint Messrs. Ernst & Young PLT as Auditors				
SPECIAL BUSINESS					
Resolution 7	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions				
Resolution 8	Proposed Renewal of Share Buy-Back Authority				

(Please indicate with an "X" in the appropriate box how you wish your proxy to vote. If no instruction is given, the proxy will vote or abstain at his/her discretion).

* Strike out whichever not applicable.

Note : Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the **Notice of 27th AGM** for the full purpose and intent of the Resolutions to be passed.

Signed this _____ day of _____, 2023.

Signature of Shareholder(s)/Common Seal



Notes:

- (1) In respect of deposited securities, only members whose names appear on the Record of Depositors as at **15 September 2023** (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the 27th AGM.
- (2) A member entitled to attend and vote at the 27th AGM is entitled to appoint up to two (2) proxies to attend and vote in his or her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (3) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend the meeting shall have the same rights as the member to speak and vote at the meeting.
- (4) In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- (5) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. The appointment of two (2) proxies in respect of any particular Securities Account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (6) Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus Account"), there shall be no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds. Where an EAN appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless EAN specifies the proportion of its shareholding to be represented by each proxy.
- (7) The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
- (8) Any alteration to the instrument appointing a proxy must be initialed.

Personal data privacy:

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 27th AGM of the Company and any adjournment thereof.

Please fold across the line and close

STAMP

To Company Secretaries
NTPM Holdings Berhad
Registration No. 199601012313 (384662-U)

Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar,
10200 George Town, Pulau Pinang, Malaysia

Please fold across the line and close

OUR BRANDS:

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NTPM HOLDINGS BERHAD
Registration No. 199601012313 (384662-U)

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