



**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2021 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2020 RM'000	Current Year- To-Date Ended 30/06/2021 RM'000	Preceding Year Corresponding Period Ended 30/06/2020 RM'000
Revenue	85,844	70,904	137,543	129,721
Operating expenses	(90,409)	(75,903)	(146,118)	(138,311)
Other operating (expense)/ income	(30)	2,528	1,508	16,672
<b>(Loss)/profit from operations</b>	<b>(4,595)</b>	<b>(2,471)</b>	<b>(7,067)</b>	<b>8,082</b>
Finance costs	(3,332)	(4,828)	(7,450)	(10,467)
Net foreign exchange gains/(losses)	564	33,598	(9,704)	(10,664)
<b>(Loss)/profit before tax – (Note 19)</b>	<b>(7,363)</b>	<b>26,299</b>	<b>(24,221)</b>	<b>(13,049)</b>
Income tax benefit – (Note 20)	3,516	(324)	3,831	1,407
<b>(Loss)/profit for the period</b>	<b>(3,847)</b>	<b>25,975</b>	<b>(20,390)</b>	<b>(11,642)</b>
<b>Other comprehensive income/(loss), net of tax:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operation	1,195	32,860	59	4,330
Remeasurement of loss on employee defined benefit liabilities	6	-	-	-
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Realisation of revaluation reserve upon depreciation of revalued asset	1,456	1,413	3,034	2,822
Transfer of revaluation reserve to retained earnings	(1,456)	(1,413)	(3,034)	(2,822)
<b>Total comprehensive (loss)/profit for the period</b>	<b>(2,646)</b>	<b>58,835</b>	<b>(20,331)</b>	<b>(7,312)</b>
<b>(Loss)/profit for the period attributable to:</b>				
Equity holders of the parent	(482)	21,802	(13,023)	(7,737)
Non-controlling interests	(3,365)	4,173	(7,367)	(3,905)
	<b>(3,847)</b>	<b>25,975</b>	<b>(20,390)</b>	<b>(11,642)</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>				
Equity holders of the parent	1,103	58,115	(12,574)	(5,600)
Non-controlling interests	(3,749)	720	(7,757)	(1,712)
	<b>(2,646)</b>	<b>58,835</b>	<b>(20,331)</b>	<b>(7,312)</b>
<b>(Loss)/profit per share attributable to equity holders of the parent:-</b>				
(a) Basic, for (loss)/profit for the period (sen) - (Note 26)	(0.41)	18.66	(11.14)	(6.62)
(b) Diluted, for profit/(loss) for the period (sen) - (Note 26)	N/A	N/A	N/A	N/A

**The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.**

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at current period ended 30/06/2021 RM'000</b>	<b>Audited 31/12/2020 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	939,942	1,162,153
Investment properties	20,076	20,318
Other receivables	47,842	46,384
Deferred tax assets	1,777	1,458
Goodwill on consolidation	32,443	32,443
	<u>1,042,080</u>	<u>1,262,756</u>
<b>Current assets</b>		
Inventories	23,518	17,979
Biological assets	6,015	3,812
Trade and other receivables	15,728	12,616
Tax refundable	128	827
Cash and bank balances	12,832	12,984
Assets held for sale	205,891	-
	<u>264,112</u>	<u>48,219</u>
<b>Current liabilities</b>		
Derivatives liabilities	9,530	8,964
Trade and other payables	218,467	201,048
Borrowings – (Note 22)	167,947	293,228
Provision for taxation	688	1,041
Liability directly associated with disposal group classified as held for sales	37,718	-
	<u>434,350</u>	<u>504,281</u>
Net current liabilities	<u>(170,238)</u>	<u>(456,062)</u>
	<u>871,842</u>	<u>806,694</u>
Share capital	120,000	120,000
Treasury shares	(7,509)	(7,509)
Retained earnings	138,632	148,008
Asset revaluation reserve	239,256	242,290
Foreign currency translation reserve	(20,451)	(20,287)
<b>Equity attributable to equity holders of the parent</b>	<u>469,928</u>	<u>482,502</u>
<b>Non-controlling interests</b>	<u>20,223</u>	<u>27,980</u>
<b>Total equity</b>	<u>490,151</u>	<u>510,482</u>
<b>Non-current liabilities</b>		
Borrowings – (Note 22)	278,988	152,391
Other payables	-	-
Employee benefits	4,331	4,545
Deferred tax liabilities	98,372	139,276
	<u>381,691</u>	<u>296,212</u>
	<u>871,842</u>	<u>806,694</u>
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	<u>4.02</u>	<u>4.12</u>

**The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.**

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW**

	Current Year- To-Date Ended 30/06/2021 RM'000	Preceding Year Corresponding Period Ended 30/06/2020 RM'000
Loss before tax	(24,221)	(13,049)
Adjustments for:-		
Amortisation and depreciation	25,631	27,155
Fair value changes of biological assets	(2,203)	1,299
Finance costs	7,450	10,467
Interest income	(19)	(1,343)
Loss on derivative instruments	566	-
Gain on disposals of property, plant and equipment	(4)	(4)
Net unrealised loss on foreign exchange	9,704	10,664
Property, plant and equipment written off	38	237
Operating cash flows before changes in working capital	16,942	35,426
Changes in working capital		
Net change in inventories	(5,538)	6,445
Net change in receivables	(4,467)	(3,227)
Net change in payables	15,552	(5,300)
Interest received	19	1,343
Net taxes paid	(1,606)	(1,024)
Finance costs paid	(7,553)	(11,776)
Net cash flows generated from operating activities	13,349	21,887
<b>Investing Activities</b>		
Withdrawal placement of fixed deposits	1,864	302
Purchase of property, plant and equipment	(8,517)	(11,091)
Net proceeds from disposal of property, plant and equipment	256	4
Net cash flows used in investing activities	(6,397)	(10,785)
<b>Financing Activities</b>		
Dividends paid to non-controlling interest	-	(750)
Repayment of borrowings	(25,348)	(12,843)
Proceeds from drawdown of bank borrowings	18,051	2,250
Net repayment of hire purchase liabilities	(424)	(558)
Net cash flows used in financing activities	(7,721)	(11,901)

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW (CONTD.)**

	<b>Current Year-To- Date Ended 30/06/2021 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/06/2020 RM'000</b>
Net change in cash and cash equivalents	(769)	(799)
Effect of exchange rate changes on cash and cash equivalents	298	(563)
Cash and cash equivalents at beginning of financial period	(418)	1,320
Cash and cash equivalents at end of financial period (Note A)	<u>(889)</u>	<u>(42)</u>

Note:

A : Cash and cash equivalents at the end of the financial period comprise the following:

Fixed deposits with licensed bank	5,362	11,334
Cash and bank balances	7,470	5,541
Bank overdraft	(8,370)	(5,583)
<b><u>Classified as held for sale</u></b>		
Cash and bank balances	11	
	<u>4,473</u>	<u>11,292</u>
Short term fixed deposits with licensed banks with maturity more than 3 months	(5,362)	(11,334)
	<u>(889)</u>	<u>(42)</u>

**The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.**

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM'000	Treasury Shares RM'000	Attributable to equity holders of the parent			Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
			Distributable Retained Earnings RM'000	Foreign Currency Translation Reserve RM'000	Asset Revaluation Reserve RM'000			
<b>Preceding year corresponding period ended 30 June 2020</b>								
<b>Balance as at</b>								
<b>1 January 2020</b>	120,000	(7,509)	155,360	(10,296)	261,391	518,946	37,133	556,079
- Prior year adjustment	-	-	(2,788)	-	-	(2,788)	(1,188)	(3,976)
At 1 January 2020, as restated	120,000	(7,509)	152,572	(10,296)	261,391	516,158	35,945	552,103
Total comprehensive loss for the period	-	-	(7,737)	4,959	(2,822)	(5,600)	(1,712)	(7,312)
<b>Transactions with owners</b>								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(750)	(750)
<b>Balance as at 30 June 2020</b>	120,000	(7,509)	144,835	(5,337)	258,569	510,558	33,483	544,041

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)**

	Attributable to equity holders of the parent						Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Distributable Retained Earnings RM'000	Foreign Currency Translation Reserve RM'000	Asset Revaluation Reserve RM'000	Total RM'000		
<b>Current year to date ended 30 June 2021</b>								
<b>Balance as at 1 January 2021</b>	120,000	(7,509)	148,008	(20,287)	242,290	482,502	27,980	510,482
Total comprehensive loss for the period	-	-	(13,023)	(164)	-	(13,187)	(7,144)	(20,331)
Realisation of revaluation reserve	-	-	3,647	-	(3,034)	613	(613)	-
<b>Balance as at 30 June 2021</b>	<u>120,000</u>	<u>(7,509)</u>	<u>138,632</u>	<u>(20,451)</u>	<u>239,256</u>	<u>469,928</u>	<u>20,223</u>	<u>490,151</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**1. Basis of preparation**

The unaudited interim financial statements have been prepared in accordance with the requirements of *MFRS 134: Interim Financial Reporting* and *paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)*.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020. The explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

**2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2021. At the date of authorisation of these interim financial statements, the following MFRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Annual Improvements to MFRS Standards 2018-2020:	
- Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Subsidiary as A First-time Adopter	1 January 2022
- Amendments to MFRS 9: Financial Instruments – Fees in the ‘10 percent’ Test for Derecognition of Financial Liabilities	1 January 2022
- Amendments to MFRS 141: Agriculture – Taxation in Fair Value Measurements	1 January 2022
Amendments to MFRS 3: Reference 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: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**2. Significant Accounting Policies**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

**3. Qualified auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

**4. Seasonality or cyclicity of operations**

The Group's operations are mainly affected by seasonal and cyclical factors such as the seasonal pattern in the production of fresh fruit bunches (FFB) and the seasonal weather conditions. Consistent with the industry FFB production trend, the first half of the year is usually the low FFB production period whereas, the second half of the year is expected to be the high FFB production period.

**5. Unusual items**

There were no items affecting assets, liabilities, equity, net income, or cash flows for the current period that are unusual because of their nature, size, or incidence.

**6. Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**7. Debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date. None of the treasury shares has been resold or distributed as share dividends during the financial period ended 30 June 2021.

**8. Dividends paid**

No dividend was paid during the current period.



**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**9. Segmental reporting**

	<b>Plantation and milling RM'000</b>	<b>Hotel RM'000</b>	<b>Fishery RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>For three months ended 30 June 2021</b>					
<b>Segment Revenue</b>					
External revenue	84,962	882	-	-	85,844
Inter-segment revenue	-	1	-	(1)	-
<b>Total</b>	<b>84,962</b>	<b>883</b>	<b>-</b>	<b>(1)</b>	<b>85,844</b>
<b>Segment Results</b>					
Unallocated corporate expenses	(2,120)	(261)	(24)	-	(2,405)
Loss from operation					(1,626)
Finance costs					(4,031)
Loss before tax					(3,332)
Income tax benefit					(7,363)
Loss for the period					3,516
					<u>(3,847)</u>
<b>For six months ended 30 June 2021</b>					
<b>Segment Revenue</b>					
External revenue	136,077	1,466	-	-	137,543
Inter-segment revenue	-	1	-	(1)	-
<b>Total</b>	<b>136,077</b>	<b>1,467</b>	<b>-</b>	<b>(1)</b>	<b>137,543</b>
<b>Segment Results</b>					
Unallocated corporate expenses	(3,239)	(272)	(23)	-	(3,534)
Loss from operation					(13,237)
Finance costs					(16,771)
Loss before tax					(7,450)
Income tax benefit					(24,221)
Loss for the period					3,831
					<u>(20,390)</u>
<b>For three months ended 30 June 2020</b>					
<b>Segment Revenue</b>					
External revenue	70,868	36	-	-	70,904
Inter-segment revenue	-	1	-	(1)	-
<b>Total</b>	<b>70,868</b>	<b>37</b>	<b>-</b>	<b>(1)</b>	<b>70,904</b>
<b>Segment Results</b>					
Unallocated corporate income	(186)	(790)	30	-	(946)
Profit from operation					32,073
Finance costs					31,127
Profit before tax					(4,828)
Income tax expense					26,299
Profit for the period					(324)
					<u>25,975</u>

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**9. Segmental reporting**

	<b>Plantation and milling RM'000</b>	<b>Hotel RM'000</b>	<b>Fishery RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>For six months ended 30 June 2020</b>					
<b>Segment Revenue</b>					
External revenue	128,612	1,109	-	-	129,721
Inter-segment revenue	-	4	-	(4)	-
<b>Total</b>	<b>128,612</b>	<b>1,113</b>	<b>-</b>	<b>(4)</b>	<b>129,721</b>
<b>Segment Results</b>					
Unallocated corporate expenses	12,887	(1,494)	60	-	11,453
Loss from operation					(14,035)
Finance costs					(2,582)
Loss before tax					(10,467)
Income tax benefit					(13,049)
Loss for the period					1,407
					<u>(11,642)</u>

**10. Valuations**

There are no new valuations of property, plant and equipment for the current financial year-to-date.

**11. Material subsequent events not reflected in the financial statements**

Subsequent to the financial year ended 31 December 2020, the management has given a preliminary acceptance to a conditional offer by a third party to acquire part of the oil palm plantations of the Group in Malaysia within the plantation segment. The proposed transaction is subject to further negotiations and approvals by the Board of Directors and Shareholders. Consequently, the plantation assets have been classified as held for sales subsequent to reporting date. A sale is expecting to be completed by the first quarter of 2022.

**12. Changes in the composition of the Group**

There was no change in the composition of the Group for the current quarter and financial year-to-date.

**13. Contingent liabilities or contingent assets**

The Company provided corporate guarantees amounting to RM264,877,000 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 30 June 2021, the total amount owing to these financial institutions amounted to RM199,554,124.

There are no other contingent liabilities or contingent assets to be disclosed during the current quarter under review.

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**14. Capital commitments**

The amount of capital commitments not provided for in the unaudited interim financial report as at 30 June 2021 is as follows:

	<b>RM'000</b>
Approved and contracted	3,033
Approved but not contracted for	11,886
	<u>14,919</u>

**15. Review of performance**

The Group recorded a loss before tax of RM7.363 million for the current quarter and RM24.221 million on the back of turnover of RM85.844 million for the current quarter and RM137.543 million for the current year-to-date respectively. These represent

- (a) an increase of 128% in loss before tax and increase of 21% in revenue as compared to the profit before tax and revenue in the preceding year corresponding quarter ended 30 June 2020 respectively;
- (b) an increase of 86% in loss before tax and an increase 6% in revenue as compared to the loss before tax and revenue in the preceding year corresponding period ended 30 June 2020 respectively.

The loss before tax for current quarter and period ended as compared to preceding corresponding quarter and period ended was mainly due to loss on crude palm oil pricing swap of RM9.479 million and RM16.965 million respectively.

The increase in revenue for the current quarter as compared to preceding corresponding quarter was mainly due to higher realised CPO and PK prices by 34.98% and 93.89% respectively from the plantation segment.

The detailed analysis of the respective operating segments of the Group with reference to the segmental information as disclosed in note 9 are discussed below:-

**Plantation segment**

The external revenue of the plantation segment increased by 20% for the current quarter and 6% for the period ended as compared to preceding corresponding quarter and period ended mainly due to higher realised CPO and PK prices as per below statistic:

<b>Quarter ended</b>	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>%</b>
Average CPO price	RM3,241 /metric ton	RM2,401 /metric ton	+ 34.98
Average PK price	RM2,314 /metric ton	RM1,193 /metric ton	+ 93.89
<b>Period ended</b>	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>%</b>
Average CPO price	RM3,135 /metric ton	RM2,369 /metric ton	+ 32.32
Average PK price	RM2,240 /metric ton	RM1,180 /metric ton	+ 89.84

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**15. Review of performance (Cont.d)**

**Plantation segment**

The plantation segment registered an increase in segment loss of >100% both for current quarter and for the period ended as compared to previous year corresponding quarter and period ended mainly due to lower CPO & PK production and loss on crude palm oil pricing swap.

**Hotel segment**

The external revenue of the hotel segment increased by >100% for the current quarter and 32% for the period ended as compared to previous year corresponding quarter and period ended. Consecutively, the hotel segment registered lesser losses both for the current quarter and period ended. Overall, the hotel segment registered a mild improvement as a result of the Management of hotel segment was proactively taking cost cutting measures to lower down operating cost and offering special room rates to moderate the impacts of Covid-19.

**16. Variance of the results against the immediate preceding quarter**

The Group recorded a loss before tax of RM7.363 million for the current quarter as compared to the loss before tax of RM16.858 million for the immediate preceding quarter ended 31 March 2021. Management attributes the improvement result was mainly due to higher realised CPO and PK prices during the current quarter under review.

**17. Prospects**

**Plantation segment**

Given the recent spike in CPO and PK prices, the Group's plantation segment is expected to register an improved result for the financial year 2021. There are significant revenue and profit contribution from the Group's plantation operations in Indonesia as most of the plantation areas are matured and the rest reaching maturity stage.

**Hotel segment**

The prospect of the hotel segment is expected to be extremely challenging due to the Coronavirus pandemic which the Sabah State Government is continue to restrict all flights from overseas to Sabah. Currently, the hotel is operating under a stricter standard operating procedures to curb growing Covid-19 infection as directed by Ministry of Health Malaysia. Nonetheless, the Management of hotel segment will continue to implement cost cutting measures to lower down operating cost and to offer special room rates to moderate the overall impacts.

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**18. Profit forecast**

Not applicable.

**19. (Loss)/ profit for the period**

(Loss)/ profit for the period is arrived at after charging/(crediting):

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2021 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2020 RM'000	Current Year- To-Date Ended 30/06/2021 RM'000	Preceding Year Corresponding Period Ended 30/06/2020 RM'000
Amortisation and depreciation	12,608	14,808	25,631	27,155
Loss/(gain) on crude palm oil pricing swap	9,479	-	16,965	(12,260)
Interest income	(1)	(798)	(19)	(1,425)
Other expense/(income)	31	(1,730)	(1,489)	(2,987)
Net gain on disposal of property, plant and equipment	(4)	-	(4)	(4)
Net unrealised (gain)/loss on foreign exchange	(564)	(33,598)	9,704	10,664
Property, plant and equipment written off	1	16	38	237

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**20. Income tax expense/(benefit)**

Income tax benefit comprises :-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2021 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2020 RM'000	Current Year- To-Date Ended 30/06/2021 RM'000	Preceding Year Corresponding Period Ended 30/06/2020 RM'000
Tax expense for the period:				
- Malaysian Income Tax	1,177	1,207	1,575	1,662
- relating to origination and reversal of temporary differences	(4,726)	(888)	(5,421)	(2,704)
	(3,549)	319	(3,846)	(1,042)
Over/(under) provided in prior years:				
- Deferred taxation	33	5	15	(365)
	(3,516)	324	(3,831)	(1,407)

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**21. Status of corporate proposals**

On 5 July 2021, the Company (“NPC”) has accepted a non-binding offer made by IOI Corporation Berhad (“Purchaser”) to acquire certain plantation assets. The proposed transaction is subject to further negotiations and approvals, NPC and the Purchaser have agreed to the extension of time for the finalisation of the definitive binding agreement to on or before 31 October 2021. Consequently, the proposed plantation assets will be classified as held for sales in accordance with MFRS 5 “Non-current Assets held for Sale and Discontinued Operations”.

Statement of financial position disclosures

The major classes of assets and liabilities of Disposal Group classified as held for sale are as follows:

	<b>As at current period ended 30/06/2021 RM’000</b>
Property, plant and equipment	205,497
Tax refundable	378
Trade and other receivables	5
Cash and bank balances	11
<b>Assets of disposal group classified as held for sale</b>	<b>205,891</b>
Trade and other payables	224
Deferred tax liabilities	37,494
<b>Liabilities directly associated with disposal group classified as held for sales</b>	<b>37,718</b>

**22. Group’s borrowings and debt securities**

Particulars of the Group’s borrowings as at 30 June 2021 are as follows :-

	<b>Secured RM’000</b>
<b>Short term borrowings</b>	
Revolving credits	88,252
Bankers’ acceptance	24,448
Bank overdraft	8,370
Term loans	45,661
	<b>166,731</b>
Hire purchase and lease payables	1,216
<b>Sub-total</b>	<b>167,947</b>

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**22. Group's borrowings and debt securities**

Particulars of the Group's borrowings as at 30 June 2021 are as follows :-

	<b>Secured RM'000</b>
<b>Long term borrowings</b>	
Term loan	276,400
Hire purchase and lease payables	2,587
<b>Sub-total</b>	<u>278,987</u>
<b>Total Borrowings</b>	<u>446,934</u>

All borrowings are denominated in Ringgit Malaysia, except for the following borrowings:

	<b>Foreign Currencies USD'000</b>	<b>RM Equivalent RM'000</b>
USD – Revolving credit @ 4.146	24,858	103,061
USD – Term loan @ 4.146	20,750	86,030
		<u>189,091</u>

There are no debt securities issued as at 30 June 2021.

**23. Financial Instruments**

(a) Fair Value of Financial Instruments

The following hierarchies were applied to determine the fair value of all the financial instruments carried at fair value:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2021, there were no outstanding derivatives (including financial instruments designated as hedging derivatives).

**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**23. Financial Instruments (continued)**

(b) Derivative Financial Instruments

The Group entered into Crude Palm Oil (“CPO”) pricing swap contracts offered by certain reputable banks in Malaysia to mitigate the exposure to fluctuations in the price of CPO in accordance with the guidelines set by the Management.

As at the date of the statement of financial position, the outstanding notional volume and value of the CPO pricing swap contracts and their fair value are as follows:

<u>CPO pricing swap contracts</u>	Notional volume outstanding as at the date of statement of financial position (Metric tonnes)	Notional value outstanding as at the date of statement of financial position (RM'000)	Fair value of derivative financial liability (RM'000)
- Less than 1 year	8,500	24,159	9,530
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

(c) Gains or Losses Arising From Fair Value Changes of Financial Instruments

As of 30 June 2021, the Group recognised a fair value loss of approximately RM0.566 million on the CPO pricing swap contracts.

The fair value change is due to the difference between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods.

Fair value gain is recorded when the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange is lower than the contracted fixed CPO prices. Conversely, a fair value loss will be recorded when the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange are higher than the contracted fixed CPO prices.

**24. Changes in material litigation**

There was no pending material litigation as at 7 September 2021, being a date not earlier than 7 days from the date of the quarterly report.

**25. Proposed dividend**

No dividend was proposed for the current period.



**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**The figures have not been audited**

**26. (Loss)/profit per share**

**(a) Basic**

Basic loss per share amounts are calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter Ended 30/06/2021 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 30/06/2020 RM'000</b>	<b>Current Year- To-Date Ended 30/06/2021 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/06/2020 RM'000</b>
(a) Profit/(Loss) attributable to equity holders of the parent	(482)	21,802	(13,023)	(7,737)
(b) Weighted average number of shares	116,863	116,863	116,863	116,863
(c) Basic loss per share (sen)	(0.41)	18.66	(11.14)	(6.62)

**(b) Diluted**

The Group has no potential ordinary shares in issue as at end of current quarter and therefore, diluted earnings per share has not been presented.

**27. Net assets per share attributable to equity holders of the parent**

The net assets per share attributable to equity holders of the parent is calculated by dividing the total equity attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period excluding treasury shares as at end of current quarter.

**28. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 13 September 2021.

By Order of the Board  
Dorothy Luk Wei Kam  
Company Secretary  
Kota Kinabalu, Sabah  
13 September 2021