



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2021 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2020 RM'000	Current Year- To-Date Ended 30/09/2021 RM'000	Preceding Year Corresponding Period Ended 30/09/2020 RM'000
Revenue	101,027	60,279	238,570	190,000
Operating expenses	(93,772)	(64,841)	(239,890)	(203,152)
Other operating income	1,823	1,374	3,331	18,046
Profit/(loss) from operations	9,078	(3,188)	2,011	4,894
Finance costs	(4,763)	(3,795)	(12,213)	(14,262)
Net foreign exchange gain/(loss)	2,755	(7,739)	(6,949)	(18,403)
Profit/(loss) before tax – (Note 19)	7,070	(14,722)	(17,151)	(27,771)
Income tax (expense)/benefit – (Note 20)	(828)	(1,113)	3,003	294
Profit/(loss) for the period	6,242	(15,835)	(14,148)	(27,477)
Other comprehensive income/(loss), net of tax:				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operation	6,673	(19,543)	6,732	(15,213)
Remeasurement of loss on employee defined benefit liabilities	-	-	-	-
Items that will not be reclassified subsequently to profit or loss				
Realisation of revaluation reserve upon depreciation of revalued asset	1,517	1,407	4,551	4,229
Transfer of revaluation reserve to retained earnings	(1,517)	(1,407)	(4,551)	(4,229)
Total comprehensive income/(loss) for the period	12,915	(35,378)	(7,416)	(42,690)
Income/(loss) for the period attributable to:				
Equity holders of the parent	6,445	(8,848)	(6,578)	(19,403)
Non-controlling interests	(203)	(6,987)	(7,570)	(8,074)
	6,242	(15,835)	(14,148)	(27,477)
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the parent	14,511	(30,935)	1,937	(36,037)
Non-controlling interests	(1,596)	(4,443)	(9,353)	(6,653)
	12,915	(35,378)	(7,416)	(42,690)
Profit/(loss) per share attributable to equity holders of the parent:-				
(a) Basic, for profit/(loss) for the period (sen) - (Note 26)	5.22	(7.57)	(5.63)	(16.60)
(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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at current period ended 30/09/2021 RM'000	Audited 31/12/2020 RM'000
Non-current assets		
Property, plant and equipment	1,102,277	1,162,153
Investment properties	19,956	20,318
Other receivables	50,337	46,384
Deferred tax assets	1,680	1,458
Goodwill on consolidation	32,488	32,443
	1,206,738	1,262,756
Current assets		
Inventories	25,677	17,979
Biological assets	9,586	3,812
Trade and other receivables	17,955	12,616
Tax refundable	573	827
Cash and bank balances	190,374	12,984
Assets held for sale	45,774	-
	289,939	48,219
Current liabilities		
Derivative liabilities	2,253	8,964
Trade and other payables	215,646	201,048
Borrowings – (Note 22)	260,502	293,228
Provision for taxation	1,515	1,041
Liability directly associated with disposal group classified as held for sales	9,100	-
	489,016	504,281
Net current liabilities	(199,077)	(456,062)
	1,007,661	806,694
Share capital		
Share capital	120,000	120,000
Treasury shares	(7,509)	(7,509)
Retained earnings	146,899	148,008
Asset revaluation reserve	237,739	242,290
Foreign currency translation reserve	(12,690)	(20,287)
Equity attributable to equity holders of the parent	484,439	482,502
Non-controlling interests	18,627	27,980
Total equity	503,066	510,482
Non-current liabilities		
Borrowings – (Note 22)	374,202	152,391
Employee benefits	4,274	4,545
Deferred tax liabilities	126,119	139,276
	504,595	296,212
	1,007,661	806,694
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	4.15	4.12

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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

	Current Year- To-Date Ended 30/09/2021 RM'000	Preceding Year Corresponding Period Ended 30/09/2020 RM'000
Loss before tax	(17,151)	(27,771)
Adjustments for:-		
Amortisation and depreciation	38,677	40,006
Fair value changes of biological assets	(5,774)	(1,322)
Finance costs	12,213	14,262
Interest income	(19)	(1,981)
Fair value change of derivative instruments	(6,711)	-
Loss/ (gain) on disposals of property, plant and equipment	174	(4)
Net unrealised loss on foreign exchange	6,949	18,403
Property, plant and equipment written off	60	234
Operating cash flows before changes in working capital	28,418	41,827
Changes in working capital		
Net change in inventories	(7,358)	2,635
Net change in receivables	(7,581)	(563)
Net change in payables	10,016	4,896
Interest received	19	1,981
Net taxes paid	(2,244)	(1,598)
Finance costs paid	(12,363)	(8,364)
Net cash flows generated from operating activities	8,907	40,814
Investing Activities		
Additional placement of fixed deposits	1,909	298
Purchase of property, plant and equipment	(11,152)	(20,468)
Net proceeds from disposal of property, plant and equipment	779	4
Net cash flows used in investing activities	(8,464)	(20,166)
Financing Activities		
Dividends paid to non-controlling interest	-	(750)
Repayment of borrowings	(34,313)	(17,449)
Proceeds from drawdown of bank borrowings	208,549	2,285
Net repayment of hire purchase liabilities	(1,872)	(723)
Net cash flows generated/(used in) from financing activities	172,364	(16,637)

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

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW (CONTD.)

	Current Year-To- Date Ended 30/09/2021 RM'000	Preceding Year Corresponding Period Ended 30/09/2020 RM'000
Net change in cash and cash equivalents	172,807	4,011
Effect of exchange rate changes on cash and cash equivalents	384	(2,690)
Cash and cash equivalents at beginning of financial period	(418)	1,320
Cash and cash equivalents at end of financial period (Note A)	<u>172,773</u>	<u>2,641</u>

Note:

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

Fixed deposits with licensed bank	5,455	7,123
Cash and bank balances	184,919	6,466
Bank overdraft	(12,146)	(3,824)
	<u>178,228</u>	<u>9,763</u>
Short term fixed deposits with licensed banks with maturity more than 3 months	(5,455)	(7,122)
	<u>172,773</u>	<u>2,641</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 THIRD QUARTER ENDED 30 SEPTEMBER 2021

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent					Total RM'000	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			
Preceding year corresponding period ended 30 September 2020								
Balance as at 1 January 2020	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	-	-	(19,403)	(17,376)	-	(36,779)	(5,911)	(42,690)
Realisation of revaluation reserve	-	-	4,971	-	(4,229)	742	(742)	-
Transactions with owners								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(750)	(750)
Balance as at 30 September 2020	120,000	(7,509)	138,140	(27,672)	257,158	480,121	28,542	508,663

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

	Attributable to equity holders of the parent					Total RM'000	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			
Current year to date ended 30 September 2021								
Balance as at 1 January 2021	120,000	(7,509)	148,008	(20,287)	242,290	482,502	27,980	510,482
Total comprehensive loss for the period	-	-	(6,578)	7,597	-	1,019	(8,435)	(7,416)
Realisation of revaluation reserve	-	-	5,469	-	(4,551)	918	(918)	-
Balance as at 30 September 2021	120,000	(7,509)	146,899	(12,690)	237,739	484,439	18,627	503,066

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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
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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:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
The figures have not been audited

2. Significant Accounting Policies

Description	Effective for annual periods beginning on or after
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 112: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
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9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Fishery RM'000	Elimination RM'000	Total RM'000
For three months ended 30 September 2021					
Segment Revenue					
External revenue	100,278	749	-	-	101,027
Inter-segment revenue	-	1	-	(1)	-
Total	100,278	750	-	(1)	101,027
Segment Results					
Unallocated corporate income					1,339
Profit from operation					11,833
Finance costs					(4,763)
Profit before tax					7,070
Income tax expense					(828)
Profit for the period					<u>6,242</u>
For nine months ended 30 September 2021					
Segment Revenue					
External revenue	236,355	2,215	-	-	238,570
Inter-segment revenue	-	1	-	(1)	-
Total	236,355	2,216	-	(1)	238,570
Segment Results					
Unallocated corporate expense					(11,898)
Loss from operation					(4,938)
Finance costs					(12,213)
Loss before tax					(17,151)
Income tax benefit					3,003
Loss for the period					<u>(14,148)</u>
For three months ended 30 September 2020					
Segment Revenue					
External revenue	59,694	585	-	-	60,279
Inter-segment revenue	-	2	-	(2)	-
Total	59,694	587	-	(2)	60,279
Segment Results					
Unallocated corporate income	(1,380)	(293)	(38)	-	(1,711)
Loss from operation					(9,216)
Finance costs					(3,795)
Loss before tax					(14,722)
Income tax expense					(1,113)
Loss for the period					<u>(15,835)</u>

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

9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Fishery RM'000	Elimination RM'000	Total RM'000
For nine months ended 30 September 2020					
Segment Revenue					
External revenue	188,306	1,694	-	-	190,000
Inter-segment revenue	-	6	-	(6)	-
Total	<u>188,306</u>	<u>1,700</u>	<u>-</u>	<u>(6)</u>	<u>190,000</u>
Segment Results					
Unallocated corporate income	11,507	(1,787)	22	-	9,742
Loss from operation					<u>(23,251)</u>
Finance costs					<u>(14,262)</u>
Loss before tax					<u>(27,771)</u>
Income tax benefit					<u>(294)</u>
Loss for the period					<u><u>(27,477)</u></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.

On 28 September 2021, the Company is withdrawing the offer to sell the aforementioned proposed oil palm plantations, and such would discontinue further negotiations on the terms of the proposed transaction.

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 RM263,445,500 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 30 September 2021, the total amount owing to these financial institutions amounted to RM214,523,488.

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2021 is as follows:

	RM'000
Approved and contracted	2,838
Approved but not contracted for	11,912
	<u>14,750</u>

15. Review of performance

The Group recorded a profit before tax of RM7.070 million for the current quarter and loss before tax RM17.151 million on the back of turnover of RM101.027 million for the current quarter and RM238.570 million for the current year-to-date respectively. These represent

- (a) an increase of 148% in profit before tax and increase of 68% in revenue as compared to the loss before tax and revenue in the preceding year corresponding quarter ended 30 September 2020 respectively;
- (b) a decrease of 38% in loss before tax and an increase 26% in revenue as compared to the loss before tax and revenue in the preceding year corresponding period ended 30 September 2020 respectively.

The increase in before tax and revenue for current quarter and period ended as compared to preceding corresponding quarter and period ended was mainly due to higher FFB production and realised CPO and PK prices rose to 50.53% and 72.82% to an average of RM3,449 and RM2,232 per metric tonne respectively amid CPO tight supply worries.

The decrease in loss before tax and increase in revenue for the period ended as compared to preceding corresponding period ended was mainly due to higher FFB production and higher realised CPO and PK prices by 39.61% and 84.06% 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 68% for the current quarter and 26% 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:

Quarter ended	30 September 2021	30 September 2020	%
Average CPO price	RM3,449 /metric ton	RM2,291 /metric ton	+ 50.53
Average PK price	RM2,232 /metric ton	RM1,292 /metric ton	+ 72.82
Period ended	30 September 2021	30 September 2020	%
Average CPO price	RM3,274 /metric ton	RM2,345 /metric ton	+ 39.61
Average PK price	RM2,242 /metric ton	RM1,218 /metric ton	+ 84.06

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

15. Review of performance (Cont'd)

Plantation segment

The plantation segment registered a segment profit of RM10.583 million, which was more than eight times greater than the previous year corresponding quarter segment loss of RM1.380 million mainly due to the spike in CPO and PK prices.

Hotel segment

The external revenue of the hotel segment increased by 28% for the current quarter as compared to previous year corresponding quarter. The slight improvement is resulted from decision made by the management to use the hotel as a temporary quarantine centre to cater to the Oil & Gas sector.

16. Variance of the results against the immediate preceding quarter

The Group recorded a profit before tax of RM7.070 million for the current quarter as compared to the loss before tax of RM7.363 million for the immediate preceding quarter ended 30 June 2021. Management attributes the improvement result was mainly due to higher FFB production and higher realised CPO and PK prices during the current quarter under review.

17. Prospects

Plantation segment

Barring any unforeseen circumstances, the Group's plantation segment is expected to register a better financial year performance 2021. Further, there are significant revenue and profit contribution to be generated 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 most of flights from overseas to Sabah. Currently, the hotel is operating under a stricter standard operating procedure 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.

18. Profit forecast

Not applicable.

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

19. Profit/(loss) for the period

Profit/(loss) for the period is arrived at after charging/(crediting):

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2021 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2020 RM'000	Current Year- To-Date Ended 30/09/2021 RM'000	Preceding Year Corresponding Period Ended 30/09/2020 RM'000
Amortisation and depreciation	13,046	12,851	38,677	40,006
Loss/(gain) on crude palm oil pricing swap	10,105	-	27,070	(12,260)
Interest income	-	(556)	(19)	(1,981)
Other income	(1,823)	(818)	(3,312)	(3,805)
Net loss/(gain) on disposal of property, plant and equipment	178	-	174	(4)
Net unrealised (gain)/loss on foreign exchange	(2,755)	7,739	6,949	18,403
Property, plant and equipment written off	22	(3)	60	234

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 30/09/2021 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2020 RM'000	Current Year- To-Date Ended 30/09/2021 RM'000	Preceding Year Corresponding Period Ended 30/09/2020 RM'000
Tax expense for the period:				
- Malaysian Income Tax	1,400	1,610	2,975	3,272
- relating to origination and reversal of temporary differences	(350)	(1,082)	(5,771)	(3,786)
	1,050	528	(2,796)	(514)
Under provided in prior years:				
- Malaysian Income Tax	-	13	-	13
- Deferred taxation	(222)	572	(207)	207
	828	1,113	(3,003)	(294)

NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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.

On 28 September 2021, the Company is withdrawing the offer to sell the aforementioned proposed oil palm plantations, and such would discontinue further negotiations on the terms of the proposed transaction.

Subsequent on 15 October 2021, Seraya Plantation Sdn Bhd (“SPSB”), a wholly owned subsidiary of NPC has entered into a Conditional Sale and Purchase Agreement (“Land SPA 1”) with Syarikat Kretam Plantations Sdn Bhd (“SKPSB”), for the disposal of all three (3) parcels of agricultural lands fully cultivated together with all the infrastructures, buildings, fixtures, fittings and assets of the SPSB.

On the same date, Bonus Indah Sdn Bhd (“BISB”), a 70% owned subsidiary has also entered into a Conditional Sale and Purchase Agreement (“Land SPA 2”) with SKPSB for the disposal of a parcel of agricultural land fully cultivated together with all the infrastructures, buildings, fixtures, fittings and assets.

Consequently, the aforementioned 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:

	As at current period ended 30/09/2021 RM’000
Property, plant and equipment	39,313
Biological assets	6,461
Assets of disposal group classified as held for sale	45,774
Deferred tax liabilities, Liabilities directly associated with disposal group classified as held for sales	9,100

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

22. Group's borrowings and debt securities

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

	Secured RM'000
Short term borrowings	
Revolving credits	154,586
Bankers' acceptance	37,242
Bank overdraft	12,146
Term loans	54,673
	<hr/>
	258,647
Hire purchase and lease payables	1,855
	<hr/>
Sub-total	260,502
	<hr/>
Long term borrowings	
Term loan	371,608
Hire purchase and lease payables	2,594
	<hr/>
Sub-total	374,202
	<hr/>
Total Borrowings	634,704

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

	Foreign Currencies USD'000	RM Equivalent RM'000
USD – Revolving credit @ 4.187	24,144	101,091
USD – Term loan @ 4.187	20,500	85,834
	IDR'000	
IDR – Term loan @ 0.000293	600,000,000	175,800
		<hr/>
		362,725

There are no debt securities issued as at 30 September 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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
The figures have not been audited

23. Financial Instruments (Cont'd)

(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	1,500	4,297	2,253
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

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

As of 30 September 2021, the Group recognised a fair value change of approximately RM6.711 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 20 November 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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
The figures have not been audited

26. Profit/(Loss) per share

(a) Basic

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2021 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2020 RM'000	Current Year- To-Date Ended 30/09/2021 RM'000	Preceding Year Corresponding Period Ended 30/09/2020 RM'000
(a) Profit/(Loss) attributable to equity holders of the parent	<u>6,445</u>	<u>(8,848)</u>	<u>(6,578)</u>	<u>(19,403)</u>
(b) Weighted average number of shares	<u>116,863</u>	<u>116,863</u>	<u>116,863</u>	<u>116,864</u>
(c) Basic profit/(loss) per share (sen)	<u>5.52</u>	<u>(7.57)</u>	<u>(5.63)</u>	<u>(16.60)</u>

(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 26 November 2021.

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