



NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2021 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2020 RM'000	Current Year- To-Date Ended 31/12/2021 RM'000	Preceding Year Corresponding Period Ended 31/12/2020 RM'000
Revenue	111,557	74,706	350,127	264,706
Operating expenses	(102,918)	(73,995)	(342,808)	(277,147)
Other operating income	23,116	544	26,447	18,590
Profit from operations	31,755	1,255	33,766	6,149
Finance costs	(7,609)	(4,647)	(19,822)	(18,909)
Net foreign exchange gain/(loss)	905	14,655	(6,044)	(3,738)
Profit/(loss) before tax – (Note 19)	25,051	11,273	7,900	(16,498)
Income tax benefit – (Note 20)	561	2,312	3,564	2,606
Profit/(loss) for the period	25,612	13,585	11,464	(13,892)
Other comprehensive (loss)/income, net of tax:				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operation	(2,214)	6,438	4,518	(8,775)
Remeasurement of loss on employee defined benefit liabilities	(294)	(390)	(294)	(390)
Items that will not be reclassified subsequently to profit or loss				
Asset revaluation	-	(17,814)	-	(17,814)
Realisation of revaluation reserve	26,125	1,998	30,676	6,227
Transfer of revaluation reserve to retained earnings	(26,125)	(1,998)	(30,676)	(6,227)
Total comprehensive income/(loss) for the period	23,104	1,819	15,688	(40,871)
Income/(loss) for the period attributable to:				
Equity holders of the parent	17,115	7,068	10,537	(12,335)
Non-controlling interests	8,497	6,517	927	(1,557)
	25,612	13,585	11,464	(13,892)
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the parent	18,009	2,381	19,946	(33,656)
Non-controlling interests	5,095	(562)	(4,258)	(7,215)
	23,104	1,819	15,688	(40,871)
Profit/(loss) per share attributable to equity holders of the parent:-				
(a) Basic, for profit/(loss) for the period (sen) - (Note 26)	14.65	6.05	9.02	(10.56)
(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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at current period ended 31/12/2021 RM'000	Audited 31/12/2020 RM'000
Non-current assets		
Property, plant and equipment	1,095,310	1,162,153
Investment properties	19,836	20,318
Other receivables	16,793	46,384
Deferred tax assets	1,710	1,458
Goodwill on consolidation	32,481	32,443
	<u>1,166,130</u>	<u>1,262,756</u>
Current assets		
Inventories	30,533	17,979
Biological assets	7,209	3,812
Trade and other receivables	14,226	12,616
Tax refundable	349	827
Cash and bank balances	70,883	12,984
	<u>123,200</u>	<u>48,219</u>
Current liabilities		
Derivative liabilities	-	8,964
Trade and other payables	163,430	201,048
Borrowings – (Note 22)	184,790	293,228
Provision for taxation	2,329	1,041
	<u>350,549</u>	<u>504,281</u>
Net current liabilities	<u>(227,349)</u>	<u>(456,062)</u>
	<u>938,781</u>	<u>806,694</u>
Share capital	120,000	120,000
Treasury shares	(7,509)	(7,509)
Retained earnings	192,334	148,008
Asset revaluation reserve	211,614	242,290
Foreign currency translation reserve	(13,991)	(20,287)
Equity attributable to equity holders of the parent	<u>502,448</u>	<u>482,502</u>
Non-controlling interests	<u>23,722</u>	<u>27,980</u>
Total equity	<u>526,170</u>	<u>510,482</u>
Non-current liabilities		
Borrowings – (Note 22)	276,863	152,391
Employee benefits	5,077	4,545
Deferred tax liabilities	130,671	139,276
	<u>412,611</u>	<u>296,212</u>
	<u>938,781</u>	<u>806,694</u>
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	<u>4.30</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.

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CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

	Current Year- To-Date Ended 31/12/2021 RM'000	Preceding Year Corresponding Period Ended 31/12/2020 RM'000
Profit/ (loss) before tax	7,900	(16,498)
Adjustments for:-		
Allowance for expected credit losses on other receivables	16	(57)
Amortisation and depreciation	51,226	49,704
Employee defined benefit liabilities	1,012	1,215
Fair value changes of biological assets	(3,398)	1,049
Finance costs	19,822	18,909
Interest income	(14,095)	(6,441)
Fair value change of derivative instruments	-	4,906
(Gain)/ loss on disposals of property, plant and equipment	(6,322)	(11)
Net unrealised loss on foreign exchange	6,044	3,738
Property, plant and equipment written off	200	255
Operating cash flows before changes in working capital	62,405	56,769
Changes in working capital		
Net change in inventories	(12,262)	633
Net change in receivables	41,003	8,603
Net change in payables	(47,030)	(2,481)
Interest received	2,870	599
Net taxes paid	(6,329)	(3,307)
Finance costs paid	(19,593)	(27,164)
Net cash flows generated from operating activities	21,064	33,652
Investing Activities		
Withdrawal of fixed deposits	4,508	4,256
Purchase of property, plant and equipment	(17,103)	(24,866)
Net proceeds from disposal of property, plant and equipment	52,975	409
Net cash flows generated from/ (used in) investing activities	40,380	(20,201)
Financing Activities		
Repayment of borrowings	(208,385)	(19,835)
Proceeds from drawdown of bank borrowings	218,091	122
Net repayment of hire purchase liabilities	(2,391)	159
Net cash flows generated from/(used in) financing activities	7,315	(19,554)

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CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW (CONTD.)

	Current Year-To- Date Ended 31/12/2021 RM'000	Preceding Year Corresponding Period Ended 31/12/2020 RM'000
Net change in cash and cash equivalents	68,759	(6,103)
Effect of exchange rate changes on cash and cash equivalents	(4,226)	4,365
Cash and cash equivalents at beginning of financial period	(418)	1,320
Cash and cash equivalents at end of financial period (Note A)	<u>64,115</u>	<u>(418)</u>

Note:

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

Fixed deposits with licensed bank	19,707	7,108
Cash and bank balances	51,176	5,876
Bank overdraft	(3,955)	(6,294)
	<u>66,927</u>	<u>6,690</u>
Short term fixed deposits with licensed banks with maturity more than 3 months	(2,812)	(7,108)
	<u>64,115</u>	<u>(418)</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.

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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			
Preceding year corresponding period ended 31 December 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	-	-	(12,073)	(9,991)	(12,874)	(34,938)	(5,933)	(40,871)
Realisation of revaluation reserve	-	-	7,509	-	(6,227)	1,282	(1,282)	-
Transactions with owners								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(750)	(750)
Balance as at 31 December 2020	120,000	(7,509)	148,008	(20,287)	242,290	482,502	27,980	510,482

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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 31 December 2021								
Balance as at 1 January 2021	120,000	(7,509)	148,008	(20,287)	242,290	482,502	27,980	510,482
Profit for the financial year	-	-	10,537	-	-	10,537	927	11,464
Other comprehensive income/ (loss)	-	-	43	6,296	-	6,339	(993)	5,346
Realisation of revaluation reserve	-	-	33,746	-	(29,889)	3,857	(3,857)	-
Changes in tax rate	-	-	-	-	(787)	(787)	(335)	(1,122)
Balance as at 31 December 2021	120,000	(7,509)	192,334	(13,991)	211,614	502,448	23,722	526,170

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.

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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
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

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2. Significant Accounting Policies

Description	Effective for annual periods beginning on or after
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 cyclical nature 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 31 December 2021.

8. Dividends paid

No dividend was paid during the current period.

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9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Elimination RM'000	Total RM'000
For three months ended 31 December 2021				
Segment Revenue				
External revenue	110,475	1,081	-	111,556
Inter-segment revenue	-	1	(1)	-
Total	110,475	1,082	(1)	111,556
Segment Results				
Unallocated corporate expense				(1,526)
Profit from operation				32,660
Finance costs				(7,609)
Profit before tax				25,051
Income tax benefit				561
Profit for the period				<u>25,612</u>
For twelve months ended 31 December 2021				
Segment Revenue				
External revenue	346,830	3,296	-	350,126
Inter-segment revenue	-	1	(1)	-
Total	346,830	3,297	(1)	350,126
Segment Results				
Unallocated corporate expense				(13,486)
Profit from operation				27,722
Finance costs				(19,822)
Profit before tax				7,900
Income tax benefit				3,564
Profit for the period				<u>11,464</u>
For three months ended 31 December 2020				
Segment Revenue				
External revenue	74,104	602	-	74,706
Inter-segment revenue	-	5	(5)	-
Total	74,104	607	(5)	74,706
Segment Results				
Unallocated corporate income				6,266
Profit from operation				15,920
Finance costs				(4,647)
Profit before tax				11,273
Income tax benefit				2,312
Profit for the period				<u>13,585</u>

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9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Elimination RM'000	Total RM'000
For twelve months ended 31 December 2020				
Segment Revenue				
External revenue	262,410	2,296	-	264,706
Inter-segment revenue	-	11	(11)	-
Total	262,410	2,307	(11)	264,706
Segment Results				
Unallocated corporate expenses		(3,065)	-	19,374
Profit from operation				(16,963)
Finance costs				2,411
Loss before tax				(18,909)
Income tax benefit				(16,498)
Loss for the period				2,606
				(13,892)

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 RM141,116,000 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 31 December 2021, the total amount owing to these financial institutions amounted to RM91,719,429.

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

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14. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial report as at 31 December 2021 is as follows:

	RM'000
Approved and contracted	2,953
Approved but not contracted for	11,528
	<u>14,481</u>

15. Review of performance

The Group recorded a profit before tax of RM25.051 million for the current quarter and profit before tax RM7.900 million on the back of turnover of RM111.557 million for the current quarter and RM350.127 million for the current year-to-date respectively. These represent

- (a) an increase of 122% in profit before tax and increase of 49% in revenue as compared to the profit before tax and revenue in the preceding year corresponding quarter ended 31 December 2020 respectively;
- (b) an increase of 148% in profit before tax and an increase 32% in revenue as compared to the loss before tax and revenue in the preceding year corresponding period ended 31 December 2020 respectively.

The increase in profit 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 higher realised CPO and PK prices rose to 42.32% and 102.06% to an average of RM3,984 and RM3,214 per metric tonne respectively amid CPO tight supply worries.

The increase in profit 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 41.33% and 89.73% 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 49% for the current quarter and 32% 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	31 December 2021	31 December 2020	%
Average CPO price	RM3,984 /metric ton	RM2,799 /metric ton	+ 42.32
Average PK price	RM3,214 /metric ton	RM1,591 /metric ton	+ 102.06
Period ended	31 December 2021	31 December 2020	%
Average CPO price	RM3,472 /metric ton	RM2,457 /metric ton	+ 41.33
Average PK price	RM2,515 /metric ton	RM1,325 /metric ton	+ 89.73

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15. Review of performance (Cont'd)

Plantation segment

The plantation segment registered a segment profit of RM41.566 million, which was 85% greater than the previous year corresponding quarter mainly due to the surge in CPO and PK prices.

Hotel segment

The external revenue of the hotel segment increased by 80% for the current quarter as compared to previous year corresponding quarter. The 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 RM25.051 million for the current quarter as compared to the loss before tax of RM7.070 million for the immediate preceding quarter ended 30 September 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 2022. 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.

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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 31/12/2021 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2020 RM'000	Current Year- To-Date Ended 31/12/2021 RM'000	Preceding Year Corresponding Period Ended 31/12/2020 RM'000
Amortisation and depreciation	12,549	9,698	51,226	49,704
(Gain)/loss on crude palm oil pricing swap	(188)	-	26,882	(12,260)
Interest income	(14,076)	(4,460)	(14,095)	(6,441)
Other income	(2,718)	(1,074)	(6,030)	(4,879)
Net gain on disposal of property, plant and equipment	(6,496)	(7)	(6,322)	(11)
Net unrealised (gain)/loss on foreign exchange	(905)	(14,665)	6,044	3,738
Property, plant and equipment written off	140	21	200	255

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 31/12/2021 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2020 RM'000	Current Year- To-Date Ended 31/12/2021 RM'000	Preceding Year Corresponding Period Ended 31/12/2020 RM'000
Tax expense for the period:				
- Malaysian Income Tax	1,691	2,237	4,666	5,509
- relating to origination and reversal of temporary differences	(1,561)	(4,489)	(7,332)	(8,275)
- Real Property Gain Tax	3,345	-	3,345	-
	3,475	(2,252)	679	(2,766)
Under provided in prior years:				
- Malaysian Income Tax	86	(10)	86	3
- Deferred taxation	(4,122)	(50)	(4,329)	157
	(561)	(2,312)	(3,564)	(2,606)

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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.

On 28 December 2021, SPSB and BISB have received full payment of the purchase price from SKPSB as specified in the Conditional Sale and Purchase Agreement respectively, thus the Proposed Disposals are deemed duly completed.

22. Group’s borrowings and debt securities

Particulars of the Group’s borrowings as at 31 December 2021 are as follows: -

	Secured RM’000
Short term borrowings	
Revolving credits	119,411
Bankers’ acceptance	37,314
Bank overdraft	3,955
Term loans	22,181
	<hr/>
	182,861
Hire purchase and lease payables	1,929
	<hr/>
Sub-total	184,790

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22. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 December 2021 are as follows: -

	Secured RM'000
Long term borrowings	
Term loan	273,681
Hire purchase and lease payables	3,182
Sub-total	<u>276,863</u>
Total Borrowings	<u>461,653</u>

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

	Foreign Currencies USD'000	RM Equivalent RM'000
USD – Revolving credit @ 4.165	16,430	68,431
	IDR'000	
IDR – Term loan @ 0.000292	596,000,000	174,032
		<u>242,463</u>

There are no debt securities issued as at 31 December 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 31 December 2021, there were no outstanding derivatives (including financial instruments designated as hedging derivatives).

(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, there are no outstanding the CPO pricing swap contracts.

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23. Financial Instruments (Cont'd)

(b) Derivative Financial Instruments

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 19 February 2022, 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.

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 31/12/2021 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2020 RM'000	Current Year- To-Date Ended 31/12/2021 RM'000	Preceding Year Corresponding Period Ended 31/12/2020 RM'000
(a) Profit/(Loss) attributable to equity holders of the parent	<u>17,115</u>	<u>7,068</u>	<u>10,537</u>	<u>(12,335)</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>14.65</u>	<u>6.05</u>	<u>9.02</u>	<u>(10.56)</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.

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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 25 February 2022.

By Order of the Board
Dorothy Luk Wei Kam
Company Secretary
Kota Kinabalu, Sabah
25 February 2022