



NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2022 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2021 RM'000	Current Year- To-Date Ended 30/06/2022 RM'000	Preceding Year Corresponding Period Ended 30/06/2021 RM'000
Revenue	114,935	85,844	205,793	137,543
Operating expenses	(113,341)	(90,409)	(189,192)	(146,118)
Other operating income	1,638	(30)	3,892	1,508
Profit/(loss) from operations	3,232	(4,595)	20,493	(7,067)
Finance costs	(6,442)	(3,332)	(12,902)	(7,450)
Net foreign exchange (loss)/gain	(4,374)	564	(5,686)	(9,704)
(Loss)/profit before tax – (Note 19)	(7,584)	(7,363)	1,905	(24,221)
Income tax benefit – (Note 20)	5,361	3,516	4,930	3,831
(Loss)/profit for the period	(2,223)	(3,847)	6,835	(20,390)
Other comprehensive (loss)/income, net of tax:				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operation	2,920	1,195	3,925	59
Remeasurement of loss on employee defined benefit liabilities	-	6	-	-
Items that will not be reclassified subsequently to profit or loss				
Realisation of revaluation reserve	1,720	1,456	3,440	3,034
Transfer of revaluation reserve to retained earnings	(1,720)	(1,456)	(3,440)	(3,034)
Total comprehensive income/(loss) for the period	697	(2,646)	10,760	(20,331)
(Loss)/income for the period attributable to:				
Equity holders of the parent	(1,787)	(482)	4,343	(13,023)
Non-controlling interests	(436)	(3,365)	2,492	(7,367)
	(2,223)	(3,847)	6,835	(20,390)
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the parent	1,860	1,103	9,438	(12,574)
Non-controlling interests	(1,163)	(3,749)	1,322	(7,757)
	697	(2,646)	10,760	(20,331)
(Loss)/profit per share attributable to equity holders of the parent:-				
(a) Basic, for (loss)/profit for the period (sen) - (Note 26)	(1.53)	(0.41)	3.72	(11.14)
(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 2021 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 30/06/2022 RM'000	Audited 31/12/2021 RM'000
Non-current assets		
Property, plant and equipment	601,929	618,718
Investment properties	14,827	19,837
Right-of-use assets	484,133	476,593
Other receivables	19,618	16,795
Goodwill on consolidation	32,507	32,481
	<u>1,153,014</u>	<u>1,164,424</u>
Current assets		
Inventories	37,677	30,532
Biological assets	5,771	7,209
Trade and other receivables	20,289	14,572
Tax refundable	1,070	349
Cash and bank balances	13,438	70,883
Asset held for sales	4,824	-
	<u>83,069</u>	<u>123,196</u>
Current liabilities		
Trade and other payables	112,050	163,431
Borrowings – (Note 22)	210,928	184,790
Provision for taxation	1,160	2,329
Liability held for sales	8	-
	<u>324,146</u>	<u>350,550</u>
Net current liabilities	<u>(241,077)</u>	<u>(227,354)</u>
	<u>911,937</u>	<u>937,070</u>
Share capital	120,000	120,000
Treasury shares	(7,509)	(7,509)
Retained earnings	200,708	192,334
Asset revaluation reserve	215,699	219,077
Foreign currency translation reserve	(9,549)	(13,991)
Equity attributable to equity holders of the parent	<u>519,349</u>	<u>509,911</u>
Non-controlling interests	<u>20,713</u>	<u>23,591</u>
Total equity	<u>540,062</u>	<u>533,502</u>
Non-current liabilities		
Borrowings – (Note 22)	251,954	276,872
Employee benefits	4,808	5,077
Deferred tax liabilities	115,113	121,619
	<u>371,875</u>	<u>403,568</u>
	<u>911,937</u>	<u>937,070</u>
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	<u>4.44</u>	<u>4.36</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

	Current Year- To-Date Ended 30/06/2022 RM'000	Preceding Year Corresponding Period Ended 30/06/2021 RM'000
Profit/ (loss) before tax	1,905	(24,221)
Adjustments for:-		
Amortisation and depreciation	25,721	25,631
Fair value changes of biological assets	1,438	(2,203)
Finance costs	12,902	7,450
Interest income	(223)	(19)
Fair value change of derivative instruments	-	566
Gain on disposal of property, plant and equipment	(80)	(4)
Net unrealised loss on foreign exchange	5,686	9,704
Property, plant and equipment written off	1	38
Operating cash flows before changes in working capital	47,350	16,942
Changes in working capital		
Net change in inventories	(6,871)	(5,538)
Net change in receivables	(8,234)	(4,467)
Net change in payables	(58,111)	15,552
Interest received	223	19
Net taxes paid	(3,402)	(1,606)
Finance costs paid	(13,125)	(7,553)
Net cash flows (used in)/generated from operating activities	(42,170)	13,349
Investing Activities		
(Withdrawal)/placement of fixed deposits	(5,874)	1,864
Purchase of property, plant and equipment	(8,575)	(8,517)
Net proceeds from disposal of property, plant and equipment	505	256
Net cash flows used in investing activities	(13,944)	(6,397)
Financing Activities		
Dividends paid to non-controlling interest	(4,200)	-
Repayment of borrowings	(41,056)	(25,348)
Proceeds from drawdown of bank borrowings	36,200	18,051
Net repayment of hire purchase liabilities	(1,573)	(424)
Net cash flows used in financing activities	(10,629)	(7,721)

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CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW (CONTD.)

	Current Year-To- Date Ended 30/06/2022 RM'000	Preceding Year Corresponding Period Ended 30/06/2021 RM'000
Net change in cash and cash equivalents	(66,743)	(769)
Effect of exchange rate changes on cash and cash equivalents	3,733	298
Cash and cash equivalents at beginning of financial period	66,804	(418)
Cash and cash equivalents at end of financial period (Note A)	<u>3,794</u>	<u>(889)</u>

Note:

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

Fixed deposits with licensed bank	5,998	5,362
Cash and bank balances	7,440	7,481
Bank overdraft	(3,661)	(8,370)
<u>Classified as held for sale</u>		
Cash and bank balances	3	-
	<u>9,780</u>	<u>4,473</u>
Short term fixed deposits with licensed banks with maturity more than 3 months	(5,986)	(5,362)
	<u>3,794</u>	<u>(889)</u>

The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent							
	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	Non- controlling Interests RM'000	Total Equity RM'000
Preceding year corresponding period ended 30 June 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	-	-	(13,023)	(164)	-	(13,187)	(7,144)	(20,331)
Realisation of revaluation reserve	-	-	3,647	-	(3,034)	613	(613)	-
Balance as at 30 June 2021	120,000	(7,509)	138,632	(20,451)	239,256	469,928	20,223	490,151

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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 30 June 2022								
Balance as at 1 January 2022	120,000	(7,509)	192,334	(13,991)	219,077	509,911	23,591	533,502
Profit for the financial year	-	-	4,343	-	-	4,343	2,492	6,835
Other comprehensive income/ (loss)	-	-	591	4,442	(528)	4,505	(580)	3,925
Realisation of revaluation reserve	-	-	3,440	-	(2,850)	590	(590)	-
Transactions with owners								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(4,200)	(4,200)
Balance as at 30 June 2022	<u>120,000</u>	<u>(7,509)</u>	<u>200,708</u>	<u>(9,549)</u>	<u>215,699</u>	<u>519,349</u>	<u>20,713</u>	<u>540,062</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 2021 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 2021. 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 2021.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2022. 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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
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
Amendments to MFRS 112: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the year ended 31 December 2021 was unqualified.

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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 2022.

8. Dividends paid

No dividend was paid during the current period.

9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Elimination RM'000	Total RM'000
For three months ended 30 June 2022				
Segment Revenue				
External revenue	113,568	1,367	-	114,935
Inter-segment revenue	-	1	(1)	-
Total	<u>113,568</u>	<u>1,368</u>	<u>(1)</u>	<u>114,935</u>
Segment Results				
Unallocated corporate expense	5,240	(421)	-	4,819
				<u>(5,961)</u>
Loss from operation				(1,142)
Finance costs				(6,442)
Profit before tax				<u>(7,584)</u>
Income tax benefit				5,361
Profit for the period				<u>(2,223)</u>

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9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Elimination RM'000	Total RM'000
For six months ended 30 June 2022				
Segment Revenue				
External revenue	203,480	2,313	-	205,793
Inter-segment revenue	-	1	(1)	-
Total	203,480	2,314	(1)	205,793
Segment Results				
Unallocated corporate expense				(8,885)
Loss from operation				14,807
Finance costs				(12,902)
Profit before tax				1,905
Income tax benefit				4,930
Profit for the period				6,835
For three months ended 30 June 2021				
Segment Revenue				
External revenue	84,962	882	-	85,844
Inter-segment revenue	-	1	(1)	-
Total	84,962	883	(1)	85,844
Segment Results				
Unallocated corporate expenses	(2,120)	(261)	-	(2,381)
Loss from operation				(4,031)
Finance costs				(3,332)
Loss before tax				(7,363)
Income tax benefit				3,516
Loss for the period				(3,847)
For six months ended 30 June 2021				
Segment Revenue				
External revenue	136,077	1,466	-	137,543
Inter-segment revenue	-	1	(1)	-
Total	136,077	1,467	(1)	137,543
Segment Results				
Unallocated corporate expenses	(3,239)	(272)	-	(3,511)
Loss from operation				(16,771)
Finance costs				(7,450)
Loss before tax				(24,221)
Income tax benefit				3,831
Loss for the period				(20,390)

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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

There were no material subsequent events as at the date of this report.

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 RM138,716,000 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 30 June 2022, the total amount owing to these financial institutions amounted to RM90,521,792.

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

14. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial report as at 30 June 2022 is as follows:

	RM'000
Approved and contracted	7,664
Approved but not contracted for	31,167
	<u>38,831</u>

15. Review of performance

The Group recorded a loss before tax of RM7.584 million for the current quarter and profit before tax of RM1.905 million for the current year-to-date on the back of turnover of RM114.935 million and RM205.793 million respectively. These represent

- (a) an increase of 3% in loss before tax and increase of 34% in revenue as compared to the loss before tax and revenue in the preceding year corresponding quarter ended 30 June 2021 respectively;
- (b) an increase of 108% in profit before tax and an increase 50% in revenue as compared to the loss before tax and revenue in the preceding year corresponding period ended 30 June 2021 respectively.

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15. Review of performance (Continued)

The loss before tax for current quarter as compared to preceding corresponding quarter was mainly due to net unrealised foreign exchange loss of RM4.374 million and higher production costs resulted from new minimum wage and higher fertiliser costs.

The increase in profit before tax for period ended as compared to preceding corresponding period ended was mainly due to higher realised CPO and PK prices rose to 55.46% and 75.82% to an average of RM4,874 and RM3,939 per metric tonne respectively.

The increase in revenue for the current quarter and period ended as compared to preceding corresponding quarter and period ended was mainly due to higher realised CPO and PK prices 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 34% for the current quarter and 50% for 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 June 2022	30 June 2021	%
Average CPO price	RM5,030 /metric ton	RM3,241 /metric ton	+ 55.19
Average PK price	RM3,719 /metric ton	RM2,314 /metric ton	+ 60.73
Period ended	30 June 2022	30 June 2021	%
Average CPO price	RM4,874 /metric ton	RM3,135 /metric ton	+ 55.46
Average PK price	RM3,939 /metric ton	RM2,240 /metric ton	+ 75.82

The plantation segment registered a segment profit of RM5.240 million for the current quarter and RM24.563 million for period ended, which was 100% greater than the previous year corresponding quarter and period ended was mainly due to the higher realised CPO and PK prices.

Hotel segment

The external revenue of the hotel segment increased by 58% for the current quarter as compared to previous year corresponding quarter mainly due to higher occupancy rate achieved during the quarter under review.

16. Variance of the results against the immediate preceding quarter

The Group recorded a loss before tax of RM7.584 million for the current quarter as compared to the profit before tax of RM9.489 million for the immediate preceding quarter ended 31 March 2022. Management attributes the decrease in profit before tax was mainly due to net unrealised foreign exchange loss of RM4.374 million and higher production costs resulted from new minimum wage and higher fertiliser costs.

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17. Prospects

Plantation segment

Looking ahead, the current CPO & PK prices are expected to moderate in the second half of 2022 as FFB production recover with the normalisation of weather conditions. Notwithstanding this, the Group remains positive on the palm oil industry's long run outlook given the continuous growth in global population and household incomes which will continue to drive and sustain the demand of palm oil given its unrivalled versatility as a superior resource for both food and non-food applications.

The Group will continue its dedicated focus on yearly manuring programme, harvesting and fruits evacuation as well as increased mechanisation to achieve greater operational efficiencies and drive performance to a higher level. The Group is confident that with the continuous improvements in productivity and implementation of best plantation management practices together with cost effective strategies, it would be able ride out the challenges ahead. The Group's plantation segment is expected to register a better result for the financial year performance 2022.

Further, there are significant revenue and profit contribution to be generated from the Indonesia operation as most of the plantation areas are matured and the rest reaching maturity stage.

Hotel segment

The prospect of the hotel segment is remained to be extremely challenging in year 2022 due to new minimum wage and unregulated short-term rental accommodation. Nonetheless, the Management of hotel segment will continue to make more use flexible or contract staff so that they can quickly respond to changing business conditions and staff up or down as needed 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 30/06/2022 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2021 RM'000	Current Year- To-Date Ended 30/06/2022 RM'000	Preceding Year Corresponding Period Ended 30/06/2021 RM'000
Amortisation and depreciation	13,128	12,608	25,721	25,631
Interest expenses	6,442	3,332	12,902	7,450
Loss on crude palm oil pricing swap	-	9,479	-	16,965
Interest income	(168)	(1)	(223)	(19)
Other income	(1,470)	31	(3,699)	(1,489)
Net unrealised loss on foreign exchange	4,374	(564)	5,686	9,704
Property, plant and equipment written off	-	1	1	38
Net gain on disposal of property, plant and equipment	-	(4)	-	(4)

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 30/06/2022 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2021 RM'000	Current Year- To-Date Ended 30/06/2022 RM'000	Preceding Year Corresponding Period Ended 30/06/2021 RM'000
Tax expense for the period:				
- Malaysian Income Tax	(84)	1,177	869	1,575
- relating to origination and reversal of temporary differences	(1,624)	(4,726)	(2,190)	(5,421)
- Real Property Gain Tax	2	-	62	-
	(1,706)	(3,549)	(1,259)	(3,846)
Under provided in prior years:				
- Malaysian Income Tax	-	-	-	-
- Deferred taxation	(3,655)	33	(3,671)	15
	(5,361)	(3,516)	(4,930)	(3,831)

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21. Status of corporate proposals

On 29th July 2022, the Company had entered into a Shares Sales Agreement with Hai Kee Hung Sdn Bhd in relation to the proposed disposal of the entire equity interest in Better Prospects Sdn Bhd, a wholly owned subsidiary of the Company for a sales consideration of RM6 million. Consequently, the proposed disposal subsidiary 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 30/06/2022 RM'000
Property, plant and equipment	4,785
Tax refundable	1
Trade and other receivables	35
Cash and bank balances	3
Assets of disposal group classified as held for sale	4,824
Trade and other payables	8
Liabilities directly associated with disposal group classified as held for sales	8

22. Group’s borrowings and debt securities

Particulars of the Group’s borrowings as at 30 June 2022 are as follows: -

	Secured RM'000
Short term borrowings	
Revolving credits	136,269
Bankers’ acceptance	29,368
Bank overdraft	3,661
Term loans	39,034
	<u>189,777</u>
Hire purchase and lease payables	2,596
Sub-total	<u>210,928</u>
Long term borrowings	
Term loan	249,041
Hire purchase and lease payables	2,913
Sub-total	<u>251,954</u>
Total Borrowings	<u>462,882</u>

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22. Group’s borrowings and debt securities (continued)

Particulars of the Group’s borrowings as at 30 June 2022 are as follows: -

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

	Foreign Currencies	RM Equivalent
	USD’000	RM’000
USD – Revolving credit @ 4.408	15,002	66,128
	IDR’000	
IDR – Term loan @ 0.000296	583,500,000	172,716
		<u>238,844</u>

There are no debt securities issued as at 30 June 2022.

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 2022, 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.

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.

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24. Changes in material litigation

There was no pending material litigation as at 23 August 2022, being a date not earlier than 7 days from the date of the quarterly report, except for, on 10 May 2021, a subsidiary of the Company, Berkat Setia Sdn Bhd (“Berkat Setia”) received a Writ and Statement of Claim from the residents of Kampung Segaliud in Sandakan who sued Berkat Setia and another third party for negligence and breach of duty for alleged discharge of industrial effluent from their palm oil mill and thereby causing pollution to the nearby Sungai Segaliud. Berkat Setia has strongly denied the said claim as they maintain that at all material times they had set up and operated a safe and adequate industrial effluent treatment system duly approved and licensed by the relevant authorities and in compliance with the terms and conditions of the said license and all applicable relevant laws and regulations.

Following the trial from 4 July 2022 to 6 July 2022 in the Sandakan High Court, the Court has given the directions for the “Plaintiffs” to file written submissions on 26 July 2022, the “Defendants” to file written submissions on 16 August 2022, and followed by the “Plaintiffs” to file its their reply on 30 August 2022. The Court has fixed an E-Review on 1 September 2022 for further direction. Our legal counsel is of the opinion that Berkat Setia has a meritorious defence to this claim. Meanwhile, the burden is on the plaintiffs to prove their claim against Berkat Setia.

25. Proposed dividend

No dividend was proposed for the current period.

26. (Loss)/profit per share

(a) Basic

Basic (loss)/profit per share amounts are calculated by dividing the net (loss)/profit 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 30/06/2022 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2021 RM'000	Current Year- To-Date Ended 30/06/2022 RM'000	Preceding Year Corresponding Period Ended 30/06/2021 RM'000
(a) (Loss)/profit attributable to equity holders of the parent	<u>(1,787)</u>	<u>(482)</u>	<u>4,343</u>	<u>(13,023)</u>
(b) Weighted average number of shares	<u>116,863</u>	<u>116,863</u>	<u>116,863</u>	<u>116,863</u>
(c) Basic (loss)/profit per share (sen)	<u>(1.53)</u>	<u>(0.41)</u>	<u>3.72</u>	<u>(11.14)</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 29 August 2022.

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