



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2022 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2021 RM'000	Current Year- To-Date Ended 30/09/2022 RM'000	Preceding Year Corresponding Period Ended 30/09/2021 RM'000
Revenue	99,719	101,027	305,512	238,570
Operating expenses	(101,385)	(93,772)	(290,577)	(239,890)
Other operating income	2,881	1,823	6,773	3,331
<b>Profit from operations</b>	<b>1,215</b>	<b>9,078</b>	<b>21,708</b>	<b>2,011</b>
Finance costs	(7,194)	(4,763)	(20,096)	(12,213)
Net foreign exchange (loss)/gain	(4,071)	2,755	(9,757)	(6,949)
<b>(Loss)/profit before tax – (Note 19)</b>	<b>(10,050)</b>	<b>7,070</b>	<b>(8,145)</b>	<b>(17,151)</b>
Income tax (expenses)/benefit – (Note 20)	(84)	(828)	4,846	3,003
<b>(Loss)/profit for the period</b>	<b>(10,134)</b>	<b>6,242</b>	<b>(3,299)</b>	<b>(14,148)</b>
<b>Other comprehensive (loss)/income, net of tax:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operation	7,631	6,673	11,556	6,732
Remeasurement of loss on employee defined benefit liabilities	-	-	-	-
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Realisation of revaluation reserve	1,719	1,517	5,159	4,551
Transfer of revaluation reserve to retained earnings	(1,719)	(1,517)	(5,159)	(4,551)
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,503)</b>	<b>12,915</b>	<b>8,257</b>	<b>(7,416)</b>
<b>(Loss)/income for the period attributable to:</b>				
Equity holders of the parent	(8,124)	6,445	(3,781)	(6,578)
Non-controlling interests	(2,010)	(203)	482	(7,570)
	<b>(10,134)</b>	<b>6,242</b>	<b>(3,299)</b>	<b>(14,148)</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>				
Equity holders of the parent	992	14,511	10,430	1,937
Non-controlling interests	(3,495)	(1,596)	(2,173)	(9,353)
	<b>(2,503)</b>	<b>12,915</b>	<b>8,257</b>	<b>(7,416)</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)	(6.95)	5.22	(3.42)	(5.63)
(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**

	<b>As at current period ended 30/09/2022 RM'000</b>	<b>Audited 31/12/2021 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	610,806	618,718
Investment properties	14,769	19,837
Right-of-use assets	482,056	476,593
Other receivables	23,768	16,795
Goodwill on consolidation	32,558	32,481
	<u>1,163,957</u>	<u>1,164,424</u>
<b>Current assets</b>		
Inventories	38,917	30,532
Biological assets	4,986	7,209
Trade and other receivables	18,037	14,572
Tax refundable	1,233	349
Cash and bank balances	12,454	70,883
	<u>75,627</u>	<u>123,196</u>
<b>Current liabilities</b>		
Trade and other payables	116,431	163,431
Borrowings – (Note 22)	223,165	184,790
Provision for taxation	39	2,329
	<u>339,635</u>	<u>350,550</u>
Net current liabilities	<u>(264,008)</u>	<u>(227,354)</u>
	<u>899,949</u>	<u>937,070</u>
Share capital	120,000	120,000
Treasury shares	(7,509)	(7,509)
Retained earnings	194,598	192,334
Asset revaluation reserve	213,980	219,077
Foreign currency translation reserve	(728)	(13,991)
<b>Equity attributable to equity holders of the parent</b>	<u>520,341</u>	<u>509,911</u>
<b>Non-controlling interests</b>	<u>17,218</u>	<u>23,591</u>
<b>Total equity</b>	<u>537,559</u>	<u>533,502</u>
<b>Non-current liabilities</b>		
Borrowings – (Note 22)	243,005	276,872
Employee benefits	4,853	5,077
Deferred tax liabilities	114,532	121,619
	<u>362,390</u>	<u>403,568</u>
	<u>899,949</u>	<u>937,070</u>
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	<u>4.45</u>	<u>4.36</u>

**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 CASHFLOW**

	Current Year- To-Date Ended 30/09/2022 RM'000	Preceding Year Corresponding Period Ended 30/09/2021 RM'000
Loss before tax	(8,145)	(17,151)
Adjustments for:-		
Amortisation and depreciation	39,006	38,677
Interest income	(223)	(19)
Fair value changes of biological assets	2,223	(5,774)
Finance costs	20,096	12,213
Fair value change of derivative instruments	-	(6,711)
(Gain)/loss on disposal of property, plant and equipment	(532)	174
Gain on disposal of a subsidiary	(1,187)	-
Net unrealised loss on foreign exchange	9,757	6,949
Property, plant and equipment written off	11	60
Provision for doubtful debt	49	-
Operating cash flows before changes in working capital	61,055	28,418
Changes in working capital		
Net change in inventories	(7,566)	(7,358)
Net change in receivables	(8,970)	(7,581)
Net change in payables	(54,635)	10,016
Interest received	223	19
Net taxes paid	(5,334)	(2,244)
Finance costs paid	(20,288)	(12,363)
Net cash flows (used in)/generated from operating activities	(35,515)	8,907
<b>Investing Activities</b>		
(Withdrawal)/placement of fixed deposits	(6,036)	1,909
Purchase of property, plant and equipment	(15,584)	(11,152)
Net proceeds from disposal of property, plant and equipment	1,189	779
Net proceeds from disposal of subsidiary	6,000	-
Net cash flows used in investing activities	(14,431)	(8,464)
<b>Financing Activities</b>		
Dividends paid to non-controlling interest	(4,200)	-
Repayment of borrowings	(70,719)	(34,313)
Proceeds from drawdown of bank borrowings	60,700	208,549
Net repayment of hire purchase liabilities	(2,311)	(1,872)
Net cash flows (used in)/from financing activities	(16,530)	172,364

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

	<b>Current Year-To- Date Ended 30/09/2022 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/09/2021 RM'000</b>
Net change in cash and cash equivalents	(66,476)	172,807
Effect of exchange rate changes on cash and cash equivalents	1,987	384
Cash and cash equivalents at beginning of financial period	66,804	(418)
Cash and cash equivalents at end of financial period (Note A)	<u>2,315</u>	<u>172,773</u>

Note:

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

Fixed deposits with licensed bank	6,160	5,455
Cash and bank balances	6,294	184,919
Bank overdraft	(3,991)	(12,146)
	<u>8,463</u>	<u>178,228</u>
Short term fixed deposits with licensed banks with maturity more than 3 months	(6,148)	(5,455)
	<u>2,315</u>	<u>172,773</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**

	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 September 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	-	-	(6,578)	7,597	-	1,019	(8,435)	(7,416)
Realisation of revaluation reserve	-	-	5,469	-	(4,551)	918	(918)	-
<b>Balance as at 30 September 2021</b>	<b>120,000</b>	<b>(7,509)</b>	<b>146,899</b>	<b>(12,690)</b>	<b>237,739</b>	<b>414,439</b>	<b>18,627</b>	<b>503,066</b>

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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			
<b>Current year to date ended 30 September 2022</b>								
<b>Balance as at 1 January 2022</b>	120,000	(7,509)	192,334	(13,991)	219,077	509,911	23,591	533,502
(Loss)/profit for the period	-	-	(3,781)	-	-	(3,781)	482	(3,299)
Other comprehensive income/ (loss)	-	-	886	13,263	(822)	13,327	(1,771)	11,556
Realisation of revaluation reserve	-	-	5,159	-	(4,275)	884	(884)	-
<b>Transactions with owners</b>								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(4,200)	(4,200)
<b>Balance as at 30 September 2022</b>	<b>120,000</b>	<b>(7,509)</b>	<b>194,598</b>	<b>(728)</b>	<b>213,980</b>	<b>520,341</b>	<b>17,218</b>	<b>537,559</b>

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:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 September 2022.

**8. Dividends paid**

No dividend was paid during the current period.

**9. Segmental reporting**

	<b>Plantation and milling RM'000</b>	<b>Hotel RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>For three months ended 30 September 2022</b>				
<b>Segment Revenue</b>				
External revenue	97,962	1,757	-	99,719
Inter-segment revenue	-	1	(1)	-
Total	<u>97,962</u>	<u>1,758</u>	<u>(1)</u>	<u>99,719</u>
<b>Segment Results</b>				
Unallocated corporate expense	1,932	(204)	-	1,728
Loss from operation				<u>(4,584)</u>
Finance costs				(2,856)
Loss before tax				<u>(7,194)</u>
Income tax expense				(10,050)
Loss for the period				<u>(84)</u>
				<u>(10,134)</u>



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**9. Segmental reporting**

	<b>Plantation and milling RM'000</b>	<b>Hotel RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>For nine months ended 30 September 2022</b>				
<b>Segment Revenue</b>				
External revenue	301,442	4,070	-	305,512
Inter-segment revenue	-	1	(1)	-
<b>Total</b>	<b>301,442</b>	<b>4,071</b>	<b>(1)</b>	<b>305,512</b>
<b>Segment Results</b>				
Unallocated corporate expense				(13,469)
Loss from operation				11,951
Finance costs				(20,096)
Loss before tax				(8,145)
Income tax benefit				4,846
Loss for the period				(3,299)
<b>For three months ended 30 September 2021</b>				
<b>Segment Revenue</b>				
External revenue	100,278	749	-	101,027
Inter-segment revenue	-	1	(1)	-
<b>Total</b>	<b>100,278</b>	<b>750</b>	<b>(1)</b>	<b>101,027</b>
<b>Segment Results</b>				
Unallocated corporate income	10,583	(50)	-	10,533
Profit from operation				1,300
Profit from operation				11,833
Finance costs				(4,763)
Profit before tax				7,070
Income tax expense				(828)
Profit for the period				6,242
<b>For nine months ended 30 September 2021</b>				
<b>Segment Revenue</b>				
External revenue	236,355	2,215	-	238,570
Inter-segment revenue	-	1	(1)	-
<b>Total</b>	<b>236,355</b>	<b>2,216</b>	<b>(1)</b>	<b>238,570</b>
<b>Segment Results</b>				
Unallocated corporate expenses	7,344	(322)	-	7,022
Loss from operation				(11,960)
Loss from operation				(4,938)
Finance costs				(12,213)
Loss before tax				(17,151)
Income tax benefit				3,003
Loss for the period				(14,148)

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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 RM155,216,000 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 30 September 2022, the total amount owing to these financial institutions amounted to RM90,856,398.

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 September 2022 is as follows:

	<b>RM'000</b>
Approved and contracted	9,394
Approved but not contracted for	27,415
	<u>36,809</u>

**15. Review of performance**

The Group recorded a loss before tax of RM10.050 million for the current quarter and loss before tax of RM8.145 million for the current year-to-date on the back of turnover of RM99.719 million and RM305.512 million respectively. These represent

- (a) a decrease of 242% in profit before tax and decrease of 1% in revenue as compared to the profit before tax and revenue in the preceding year corresponding quarter ended 30 September 2021 respectively;
- (b) a decrease of 53% in loss before tax but an increase 28% in revenue as compared to the loss before tax and revenue in the preceding year corresponding period ended 30 September 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 RM4.071 million and higher production costs from new minimum wage and higher fertiliser costs.

The decrease in loss before tax for period ended as compared to preceding corresponding period ended was mainly due to higher realised CPO and PK prices rose to 34.36% and 43.98% to an average of RM4,399 and RM3,228 per metric tonne respectively.

The revenue slightly decreased for the current quarter as compared to preceding corresponding quarter was mainly due to lower FFB production. However, the group posts 28% revenue increase for the period ended as compared to preceding corresponding 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 slightly decreased by 1% for the current quarter but an increase by 28% for period ended as compared to preceding corresponding quarter and period ended mainly due to fluctuations in realised CPO and PK prices as per below statistic:

<b>Quarter ended</b>	<b>30 September 2022</b>	<b>30 September 2021</b>	<b>%</b>
Average CPO price	RM3,661 /metric ton	RM3,449 /metric ton	+ 6.15
Average PK price	RM2,068 /metric ton	RM2,232 /metric ton	- 7.34
<b>Period ended</b>	<b>30 September 2022</b>	<b>30 September 2021</b>	<b>%</b>
Average CPO price	RM4,399 /metric ton	RM3,274 /metric ton	+ 34.36
Average PK price	RM3,228 /metric ton	RM2,242 /metric ton	+ 43.98

The plantation segment registered a segment profit of RM1.932 million for the current quarter, which was 82% lower than the preceding year corresponding quarter was mainly due to higher production costs from new minimum wages and higher fertiliser costs. However, the plantation segment registered a segment profit of RM26.495 million for the period ended, which was >100% greater than preceding period ended was mainly due to the higher realised CPO and PK prices.

**Hotel segment**

The external revenue of the hotel segment increased by 135% for the current quarter as compared to preceding year corresponding quarter mainly due to higher occupancy rate achieved during the quarter under review.

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

The Group recorded a loss before tax of RM10.050 million for the current quarter as compared to the loss before tax of RM7.584 million for the immediate preceding quarter ended 30 June 2022. Management attributes the increase in loss before tax was mainly due to higher net unrealised foreign exchange loss of RM4.071 million and higher production costs from new minimum wage and higher fertiliser costs.

**17. Prospects**

**Plantation segment**

Looking ahead, the current CPO & PK prices are expected to moderate in the end 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 2023.

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 30/09/2022 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2021 RM'000	Current Year- To-Date Ended 30/09/2022 RM'000	Preceding Year Corresponding Period Ended 30/09/2021 RM'000
Amortisation and depreciation	13,285	13,046	39,006	38,677
Interest expenses	7,194	4,763	20,096	12,213
Loss on crude palm oil pricing swap	-	10,105	-	27,070
Interest income	-	-	(223)	(19)
Other income	(2,851)	(1,823)	(6,550)	(3,312)
Provision for doubtful debts	49	-	49	-
Net unrealised loss/(gain) on foreign exchange	4,071	(2,755)	9,757	6,949
Gain on disposal of a subsidiary	(1,187)	-	(1,187)	-
Property, plant and equipment written off	10	22	11	60

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 expense/(benefit) comprises :-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2022 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2021 RM'000	Current Year- To-Date Ended 30/09/2022 RM'000	Preceding Year Corresponding Period Ended 30/09/2021 RM'000
Tax expense for the period:				
- Malaysian Income Tax	1,240	1,400	2,109	2,975
- relating to origination and reversal of temporary differences	(1,455)	(350)	(3,645)	(5,771)
- Real Property Gain Tax	-	-	62	-
	(215)	1,050	(1,474)	(2,796)
Under provided in prior years:				
- Malaysian Income Tax	(12)	-	(12)	-
- Deferred taxation	311	(222)	(3,360)	(207)
	84	828	(4,846)	(3,003)

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**21. Status of corporate proposals**

On 29<sup>th</sup> 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 only. The Proposed Disposal is completed on 29 August 2022 upon the receipt of the balance purchase price by NPC and all conditions having been completed as specified in the SSA.

	<b>RM'000</b>
Proceed for disposal	6,000
Less: Share Capital	(6,909)
Accumulated loss brought forward	3,702
Loss for the period	(1,606)
Goodwill	118
Less: Impairment loss	(118)
<b>Net Gain on Disposal of a Subsidiary</b>	<u>1,187</u>

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

Particulars of the Group's borrowings as at 30 September 2022 are as follows: -

	<b>Secured</b>
	<b>RM'000</b>
<b>Short term borrowings</b>	
Revolving credits	137,850
Bankers' acceptance	32,289
Bank overdraft	3,991
Term loans	46,503
	<u>220,633</u>
Hire purchase and lease payables	2,532
<b>Sub-total</b>	<u>223,165</u>
	<b>Secured</b>
	<b>RM'000</b>
<b>Long term borrowings</b>	
Term loan	240,004
Hire purchase and lease payables	3,001
<b>Sub-total</b>	<u>243,005</u>
<b>Total Borrowings</b>	<u>466,170</u>

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

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

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

	<b>Foreign Currencies</b>	<b>RM Equivalent</b>
	<b>USD’000</b>	<b>RM’000</b>
USD – Revolving credit @ 4.634	14,288	66,211
	<b>IDR’000</b>	
IDR – Term loan @ 0.000304	575,000,000	174,800
		<u>241,011</u>

There are no debt securities issued as at 30 September 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 September 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.

The trial was held from 4 July 2022 to 6 July 2022 in the Sandakan High Court. The “Plaintiffs” and the “Defendants” have filed and served their written submissions to the Court after trial. The High Court shall deliver its decision on the matter on 01 December 2022. 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.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2022 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2021 RM'000	Current Year- To-Date Ended 30/09/2022 RM'000	Preceding Year Corresponding Period Ended 30/09/2021 RM'000
(a) (Loss)/profit attributable to equity holders of the parent	<u>(8,124)</u>	<u>6,445</u>	<u>(3,781)</u>	<u>(6,578)</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>(6.95)</u>	<u>5.52</u>	<u>(3.24)</u>	<u>(5.63)</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 28 November 2022.

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