



**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**  
**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2021 RM'000	Current Year- To-Date Ended 31/12/2022 RM'000	Preceding Year Corresponding Period Ended 31/12/2021 RM'000
Revenue	107,780	111,557	413,292	350,127
Operating expenses	(103,771)	(103,147)	(394,348)	(343,037)
Other operating income	4,849	23,117	11,622	26,448
<b>Profit from operations</b>	<b>8,858</b>	<b>31,527</b>	<b>30,566</b>	<b>33,538</b>
Finance costs	(6,388)	(7,609)	(26,484)	(19,822)
Net foreign exchange gain/(loss)	2,208	905	(7,549)	(6,044)
<b>Profit/(loss) before tax – (Note 19)</b>	<b>4,678</b>	<b>24,823</b>	<b>(3,467)</b>	<b>7,672</b>
Income tax (expenses)/benefit – (Note 20)	(300)	496	4,546	3,499
<b>Profit for the period</b>	<b>4,378</b>	<b>25,319</b>	<b>1,079</b>	<b>11,171</b>
<b>Other comprehensive income, net of tax:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operation	(20,290)	6,401	(8,734)	13,133
Remeasurement of loss on employee defined benefit liabilities	-	(162)	-	(162)
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Asset revaluation	48,840	2,575	53,999	7,126
Transfer of revaluation reserve to retained earnings	(1,719)	(3,697)	(6,878)	(8,248)
<b>Total comprehensive income for the period</b>	<b>31,209</b>	<b>30,436</b>	<b>39,466</b>	<b>23,020</b>
<b>Income/(loss) for the period attributable to:</b>				
Equity holders of the parent	2,099	17,029	(1,682)	10,451
Non-controlling interests	2,279	8,290	2,761	720
	<b>4,378</b>	<b>25,319</b>	<b>1,079</b>	<b>11,171</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>				
Equity holders of the parent	13,482	25,472	23,912	27,409
Non-controlling interests	17,727	4,964	15,554	(4,389)
	<b>31,209</b>	<b>30,436</b>	<b>39,466</b>	<b>23,020</b>
<b>Profit/(loss) per share attributable to equity holders of the parent:-</b>				
(a) Basic, for profit/(loss) for the period (sen) - (Note 26)	1.80	14.57	(1.44)	8.94
(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 31/12/2022 RM'000</b>	<b>Audited 31/12/2021 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	568,199	618,718
Investment properties	14,554	19,837
Right-of-use assets	543,458	476,593
Other receivables	19,280	16,795
Goodwill on consolidation	32,418	32,481
	<u>1,177,909</u>	<u>1,164,424</u>
<b>Current assets</b>		
Inventories	38,548	30,532
Biological assets	7,942	7,209
Trade and other receivables	38,453	14,572
Tax refundable	1,275	349
Cash and bank balances	34,959	70,883
	<u>121,177</u>	<u>123,196</u>
<b>Current liabilities</b>		
Trade and other payables	128,551	163,431
Borrowings – (Note 22)	234,050	184,790
Provision for taxation	-	2,329
	<u>362,601</u>	<u>350,550</u>
Net current liabilities	<u>(241,424)</u>	<u>(227,354)</u>
	<u>936,485</u>	<u>937,070</u>
Share capital	120,000	120,000
Treasury shares	(7,509)	(7,509)
Retained earnings	198,712	192,334
Asset revaluation reserve	246,873	219,077
Foreign currency translation reserve	(24,253)	(13,991)
<b>Equity attributable to equity holders of the parent</b>	<u>533,823</u>	<u>509,911</u>
<b>Non-controlling interests</b>	<u>34,945</u>	<u>23,591</u>
<b>Total equity</b>	<u>568,768</u>	<u>533,502</u>
<b>Non-current liabilities</b>		
Borrowings – (Note 22)	235,065	276,872
Employee benefits	4,330	5,077
Deferred tax liabilities	128,322	121,619
	<u>367,717</u>	<u>403,568</u>
	<u>936,485</u>	<u>937,070</u>
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	<u>4.57</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**

	<b>Current Year- To-Date Ended 31/12/2022 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31/12/2021 RM'000</b>
(Loss)/profit before tax	(3,467)	7,672
Adjustments for:-		
Amortisation and depreciation	49,174	51,226
Interest income	(223)	(14,095)
Fair value changes of biological assets	(732)	(3,397)
Finance costs	26,484	19,822
Fair value change of derivative instruments	-	(8,964)
Fair value change of employee defined benefits liabilities	-	1,226
Gain on disposal of property, plant and equipment	(532)	(6,321)
Gain on disposal of subsidiary	(1,187)	-
Net unrealised loss on foreign exchange	7,549	6,044
Property, plant and equipment written off	11	174
Provision for doubtful debt	49	16
Operating cash flows before changes in working capital	<u>77,126</u>	<u>53,403</u>
Changes in working capital		
Net change in inventories	(8,697)	(12,262)
Net change in receivables	(28,097)	28,011
Net change in payables	(32,399)	(38,066)
Interest received	223	14,095
Net taxes paid	(6,945)	(6,329)
Finance costs paid	(26,666)	(19,822)
Net cash flows (used in)/generated from operating activities	<u>(25,455)</u>	<u>19,030</u>
<b>Investing Activities</b>		
(Withdrawal)/placement of fixed deposits	(5,591)	7,196
Purchase of property, plant and equipment	(15,382)	(15,956)
Net proceeds from disposal of property, plant and equipment	1,426	53,141
Net proceeds from disposal of subsidiary	6,093	-
Net cash flows (used in)/generated from investing activities	<u>(13,454)</u>	<u>44,381</u>
<b>Financing Activities</b>		
Dividends paid to non-controlling interest	(4,200)	-
Repayment of borrowings	(103,402)	(357,566)
Proceeds from drawdown of bank borrowings	107,030	367,627
Net repayment of hire purchase liabilities	(1,954)	(2,053)
Net cash flows (used in)/generated from financing activities	<u>(2,526)</u>	<u>8,008</u>

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

	<b>Current Year-To- Date Ended 31/12/2022 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31/12/2021 RM'000</b>
Net change in cash and cash equivalents	(41,435)	71,419
Effect of exchange rate changes on cash and cash equivalents	(5,966)	(4,197)
Cash and cash equivalents at beginning of financial period	66,804	(418)
Cash and cash equivalents at end of financial period (Note A)	19,403	66,804

Note:

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

Fixed deposits with licensed bank	5,715	15,124
Cash and bank balances	28,960	55,759
Bank overdraft	(9,569)	(3,955)
	25,106	66,928
Short term fixed deposits with licensed banks with maturity more than 3 months	(5,703)	(124)
	19,403	66,804

**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					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>Preceding year corresponding period ended 31 December 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	-	-	37,200	6,296	(17,266)	26,230	(3,210)	23,020
Realisation of revaluation reserve	-	-	7,126	-	(5,947)	1,179	(1,179)	-
<b>Balance as at 31 December 2021</b>	<b>120,000</b>	<b>(7,509)</b>	<b>192,334</b>	<b>(13,991)</b>	<b>219,077</b>	<b>509,911</b>	<b>23,591</b>	<b>533,502</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 31 December 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	-	-	(1,682)	-	-	(1,682)	2,761	1,079
Other comprehensive income/ (loss)	-	-	1,182	(10,262)	(1,117)	(10,197)	1,463	(8,734)
Asset revaluation	-	-	6,878	-	28,913	35,791	11,330	47,121
<b>Transactions with owners</b>								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(4,200)	(4,200)
<b>Balance as at 31 December 2022</b>	<b>120,000</b>	<b>(7,509)</b>	<b>198,712</b>	<b>(24,253)</b>	<b>246,873</b>	<b>533,823</b>	<b>34,945</b>	<b>568,768</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 operational performance are mainly affected by seasonal and cyclical factors such as the seasonal pattern in the production of fresh fruit bunches (FFB), the seasonal weather conditions and the movement in commodity prices. 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 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 31 December 2022</b>				
<b>Segment Revenue</b>				
External revenue	105,584	2,196	-	107,780
Inter-segment revenue	-	1	(1)	-
Total	<u>105,584</u>	<u>2,197</u>	<u>(1)</u>	<u>107,780</u>
<b>Segment Results</b>				
Unallocated corporate income	11,106	(134)	-	10,972
				<u>95</u>
Profit from operation				11,067
Finance costs				<u>(6,389)</u>
Profit before tax				4,678
Income tax benefit				<u>(300)</u>
Profit for the period				<u><u>4,378</u></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 twelve months ended 31 December 2022</b>				
<b>Segment Revenue</b>				
External revenue	407,026	6,266	-	413,292
Inter-segment revenue	-	1	(1)	-
<b>Total</b>	<b>407,026</b>	<b>6,267</b>	<b>(1)</b>	<b>413,292</b>
<b>Segment Results</b>				
Unallocated corporate expense				(13,374)
Profit from operation				23,017
Finance costs				(26,484)
Loss before tax				(3,467)
Income tax benefit				4,546
<b>Profit for the period</b>				<b>1,079</b>
<b>For three months ended 31 December 2021</b>				
<b>Segment Revenue</b>				
External revenue	110,476	1,081	-	111,557
Inter-segment revenue	-	1	(1)	-
<b>Total</b>	<b>110,476</b>	<b>1,082</b>	<b>(1)</b>	<b>111,557</b>
<b>Segment Results</b>				
Unallocated corporate expenses				(1,525)
Profit from operation				32,432
Finance costs				(7,609)
Profit before tax				24,823
Income tax benefit				496
<b>Profit for the period</b>				<b>25,319</b>
<b>For twelve months ended 31 December 2021</b>				
<b>Segment Revenue</b>				
External revenue	346,831	3,296	-	350,127
Inter-segment revenue	-	1	(1)	-
<b>Total</b>	<b>346,831</b>	<b>3,297</b>	<b>(1)</b>	<b>350,127</b>
<b>Segment Results</b>				
Unallocated corporate expenses				(13,485)
Profit from operation				27,494
Finance costs				(19,822)
Profit before tax				7,672
Income tax benefit				3,499
<b>Profit for the period</b>				<b>11,171</b>

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**10. Valuations**

A class of plantation land under right-of-use asset is revalued by independent registered valuers, C H Williams Talhar & Wong Sdn Bhd and Henry Butcher Malaysia (Sabah) Sdn Bhd.

The asset's carrying amount is increased as a result of the revaluation which is recognised in other comprehensive income and accumulated in equity under the heading of Asset Revaluation Surplus.

Except for the above, there are no valuations of other classes of property, plant and equipment and right-of-use asset 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 31 December 2022, the total amount owing to these financial institutions amounted to RM101,223,295.

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 31 December 2022 is as follows:

	<b>RM'000</b>
Approved and contracted	7,916
Approved but not contracted for	<u>27,325</u>
	<u>35,241</u>

**15. Review of performance**

The Group recorded a profit before tax of RM4.678 million for the current quarter and loss before tax of RM3.467 million for the current year-to-date on the back of turnover of RM107.780 million and RM413.292 million respectively. These represent

- (a) a decrease of 81% in profit before tax and decrease of 3% in revenue as compared to the profit before tax and revenue in the preceding year corresponding quarter ended 31 December 2021 respectively;

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**15. Review of performance (Continued)**

- (b) a decrease of 145% in profit before tax but an increase 18% in revenue as compared to the profit before tax and revenue in the preceding year corresponding period ended 31 December 2021 respectively.

The decrease in profit before tax for current quarter as compared to preceding corresponding quarter was mainly due to interest income on financial assets of RM21.508m reported in preceding corresponding quarter.

The decrease in profit before tax for period ended as compared to preceding corresponding period ended was mainly due to higher production costs arising from the full impact of the minimum wage hike in Malaysia and higher fertiliser costs.

The decrease in revenue for the current quarter as compared to preceding corresponding quarter was mainly due to lower average selling price of CPO and PK from the plantation segment by 10.08% and 40.45% respectively and vice versa.

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 4% for the current quarter but an increase by 17% for period ended as compared to preceding corresponding quarter and period ended mainly due to movement in realised CPO and PK prices as per below statistic:

<b>Quarter ended</b>	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>%</b>
Average CPO price	RM3,583 /metric ton	RM3,984 /metric ton	- 10.08
Average PK price	RM1,914 /metric ton	RM3,214 /metric ton	- 40.45
<b>Period ended</b>	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>%</b>
Average CPO price	RM4,085 /metric ton	RM3,472 /metric ton	+ 17.65
Average PK price	RM2,829 /metric ton	RM2,515 /metric ton	+ 12.49

The plantation segment registered a segment profit of RM11.106 million and RM37.601 million for the current quarter and period ended, which was 67% and 9% lower than the preceding year corresponding quarter and period ended were mainly due to higher production costs arising mainly from the full impact of the minimum wage hike in Malaysia and higher fertilizer costs.

**Hotel segment**

The external revenue of the hotel segment increased by 103% for the current quarter as compared to preceding year corresponding quarter mainly contributed from year end seasonality and domestic tourism during the quarter under review.

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

The Group recorded a profit before tax of RM4.678 million for the current quarter as compared to the loss before tax of RM8.145 million for the immediate preceding quarter ended 30 September 2022. Management attributes the increase in profit before tax was mainly due to higher FFB production and net unrealised foreign exchange gain of RM2.208 million.

**17. Prospects**

**Plantation segment**

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 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 expects plantation segment result for the next financial year 2023 to be influenced by the movement in commodities prices and rising production costs.

**Hotel segment**

The prospect of the hotel segment is remained to be extremely challenging in year 2023 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 31/12/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2021 RM'000	Current Year- To-Date Ended 31/12/2022 RM'000	Preceding Year Corresponding Period Ended 31/12/2021 RM'000
Amortisation and depreciation	10,168	12,549	49,174	51,266
Interest expenses	6,388	7,609	26,484	19,822
Fair value change of derivative instruments	-	(8,964)	-	(8,964)
Interest income	-	(14,076)	(223)	(14,095)
Other income	(4,317)	(2,720)	(10,867)	(6,032)
Net unrealised (gain)/loss on foreign exchange	(2,208)	(905)	7,549	6,044
Gain on disposal of property, plant and equipment	(532)	(6,495)	(532)	(6,321)
Gain on disposal of a subsidiary	-	-	(1,187)	-
Provision for doubtful debt	-	16	49	16
Property, plant and equipment written off	-	114	11	174

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 31/12/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2021 RM'000	Current Year- To-Date Ended 31/12/2022 RM'000	Preceding Year Corresponding Period Ended 31/12/2021 RM'000
Tax expense for the period:				
- Malaysian Income Tax	867	1,694	2,976	4,669
- relating to origination and reversal of temporary differences	(1,432)	(1,480)	(5,077)	(7,251)
- Real Property Gain Tax	-	3,345	62	3,345
	(565)	3,559	(2,039)	763
(Over)/under provided in prior years:				
- Malaysian Income Tax	(12)	83	(24)	83
- Deferred taxation	877	(4,138)	(2,483)	(4,345)
	300	(496)	(4,546)	(3,499)

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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 31 December 2022 are as follows: -

	<b>Secured</b>
	<b>RM'000</b>
<b>Short term borrowings</b>	
Revolving credits	130,390
Bankers' acceptance	39,383
Bank overdraft	9,570
Term loans	52,180
	<u>231,523</u>
Hire purchase and lease payables	2,527
<b>Sub-total</b>	<u>234,050</u>
	<b>Secured</b>
	<b>RM'000</b>
<b>Long term borrowings</b>	
Term loan	231,837
Hire purchase and lease payables	3,228
<b>Sub-total</b>	<u>235,065</u>
<b>Total Borrowings</b>	<u>469,115</u>

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

Particulars of the Group’s borrowings as at 31 December 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 @ 4.390	13,574	59,590
	<b>IDR’000</b>	
IDR – Term loan @ 0.000282	631,500,000	178,083
		<u>237,673</u>

There are no debt securities issued as at 31 December 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 31 December 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 22 February 2023, 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” has filed and served their written submissions to the Court after trial. The High Court delivered its decision on the matter on 01 December 2022 as follow:

- The High Court Judge dismissed the Plaintiffs’ claim for an injunction, general and exemplary damages claim, and interest;
- The High Court Judge ordered Berkat Setia to pay costs of RM50,000 to the Plaintiffs subject to allocator at 4% - a total of RM52,000.

However, our legal counsel have filed the Notice of Appeal for Berkat Setia on 22 December 2022 and currently pending the Court of Appeal to fix the first case management. 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. 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.



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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2021 RM'000	Current Year- To-Date Ended 31/12/2022 RM'000	Preceding Year Corresponding Period Ended 31/12/2021 RM'000
(a) Profit/(loss) attributable to equity holders of the parent	<u>2,099</u>	<u>17,029</u>	<u>(1,682)</u>	<u>10,451</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 profit/(loss) per share (sen)	<u>1.80</u>	<u>14.57</u>	<u>(1.44)</u>	<u>8.94</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 28 February 2023.

By Order of the Board  
Dorothy Luk Wei Kam  
Company Secretary  
Kota Kinabalu, Sabah  
28 February 2023