



**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**  
The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2023 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2022 RM'000	Current Year- To-Date Ended 30/09/2023 RM'000	Preceding Year Corresponding Period Ended 30/09/2022 RM'000
Revenue	123,093	99,719	337,113	305,512
Operating expenses	(103,527)	(101,385)	(298,286)	(290,577)
Other operating income	1,053	2,881	3,891	6,773
<b>Profit from operations</b>	<b>20,619</b>	<b>1,215</b>	<b>42,718</b>	<b>21,708</b>
Finance costs	(7,706)	(7,194)	(22,591)	(20,096)
Net foreign exchange loss	(654)	(4,071)	(2,687)	(9,757)
<b>Profit/(loss) before tax – (Note 19)</b>	<b>12,259</b>	<b>(10,050)</b>	<b>17,440</b>	<b>(8,145)</b>
Income tax (expenses)/ benefit – (Note 20)	(675)	(84)	(1,672)	4,846
<b>Profit/ (loss) for the period</b>	<b>11,584</b>	<b>(10,134)</b>	<b>15,768</b>	<b>(3,299)</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	9,705	7,631	25,997	11,556
Remeasurement of loss on employee defined benefit liabilities	15	-	15	-
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Revaluation reserve	3,171	1,719	36,363	5,159
Transfer of revaluation reserve to retained earnings	(3,171)	(1,719)	(9,011)	(5,159)
<b>Total comprehensive income for the period</b>	<b>21,304</b>	<b>(2,503)</b>	<b>69,132</b>	<b>8,257</b>
<b>Income/(loss) for the period attributable to:</b>				
Equity holders of the parent	12,210	(8,124)	14,541	(3,781)
Non-controlling interests	(626)	(2,010)	1,227	482
	<b>11,584</b>	<b>(10,134)</b>	<b>15,768</b>	<b>(3,299)</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>				
Equity holders of the parent	22,115	992	57,434	10,430
Non-controlling interests	(811)	(3,495)	11,698	(2,173)
	<b>21,304</b>	<b>(2,503)</b>	<b>69,132</b>	<b>8,257</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)	10.45	(6.95)	12.44	(3.24)
(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 2022 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 30/09/2023 RM'000</b>	<b>Audited 31/12/2022 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,179,697	1,113,487
Investment properties	14,400	14,657
Other receivables	4,239	14,818
Goodwill on consolidation	32,558	32,418
	<u>1,230,894</u>	<u>1,175,380</u>
<b>Current assets</b>		
Inventories	24,981	33,022
Biological assets	8,732	7,941
Trade and other receivables	71,629	82,919
Tax refundable	-	1,950
Cash and bank balances	22,723	34,660
	<u>128,065</u>	<u>160,492</u>
<b>Current liabilities</b>		
Trade and other payables	109,376	168,925
Borrowings – (Note 22)	227,500	233,836
Provision for taxation	383	-
	<u>337,259</u>	<u>402,761</u>
Net current liabilities	<u>(209,194)</u>	<u>(242,269)</u>
	<u>1,021,700</u>	<u>933,111</u>
Share capital	120,000	120,000
Treasury shares	(7,509)	(7,509)
Retained earnings	253,556	198,803
Asset revaluation reserve	266,639	246,045
Foreign currency translation reserve	2,072	(24,899)
<b>Equity attributable to equity holders of the parent</b>	<u>634,758</u>	<u>532,440</u>
<b>Non-controlling interests</b>	<u>10,754</u>	<u>32,284</u>
<b>Total equity</b>	<u>645,512</u>	<u>564,724</u>
<b>Non-current liabilities</b>		
Borrowings – (Note 22)	235,900	237,356
Employee benefits	4,929	4,081
Deferred tax liabilities	135,359	126,950
	<u>376,188</u>	<u>368,387</u>
	<u>1,021,700</u>	<u>933,111</u>
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	<u>5.43</u>	<u>4.56</u>

**The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 30/09/2023 RM'000	Preceding Year Corresponding Period Ended 30/09/2022 RM'000
Profit/(loss) before tax	17,440	(8,145)
Adjustments for:-		
Amortisation and depreciation	40,496	39,006
Interest income	(110)	(223)
Fair value changes of biological assets	(790)	2,223
Finance costs	22,591	20,096
Gain on disposal of property, plant and equipment	(13)	(532)
Gain on disposal of a subsidiary	-	(1,187)
Net unrealised loss on foreign exchange	2,687	9,757
Property, plant and equipment written off	30	11
Provision for doubtful debt	-	49
Operating cash flows before changes in working capital	<u>82,331</u>	<u>61,055</u>
Changes in working capital		
Net change in inventories	9,947	(7,566)
Net change in receivables	28,992	(8,970)
Net change in payables	(69,691)	(54,635)
Interest received	110	223
Net taxes paid	(2,563)	(5,334)
Finance costs paid	(22,587)	(20,288)
Net cash flows generated from/(used in) operating activities	<u>26,539</u>	<u>(35,515)</u>
<b>Investing Activities</b>		
Withdrawal of fixed deposits	-	(6,036)
Purchase of property, plant and equipment	(22,130)	(15,584)
Net proceeds from disposal of property, plant and equipment	383	1,189
Net proceeds from disposal of subsidiary	-	6,000
Net cash flows used in investing activities	<u>(21,747)</u>	<u>(14,431)</u>
<b>Financing Activities</b>		
Dividends paid to non-controlling interest	-	(4,200)
Repayment of borrowings	(140,687)	(70,719)
Proceeds from drawdown of bank borrowings	121,960	60,700
Net repayment of hire purchase liabilities	(1,578)	(2,311)
Net cash flows used in financing activities	<u>(20,305)</u>	<u>(16,530)</u>

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

	<b>Current Year-To- Date Ended 30/09/2023 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/09/2023 RM'000</b>
Net change in cash and cash equivalents	(15,513)	(66,476)
Effect of exchange rate changes on cash and cash equivalents	4,541	1,987
Cash and cash equivalents at beginning of financial period	19,389	66,804
Cash and cash equivalents at end of financial period (Note A)	<u>8,417</u>	<u>2,315</u>

Note:

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

Fixed deposits with licensed bank	11,340	6,160
Cash and bank balances	11,383	6,294
Bank overdraft	(2,973)	(3,991)
	<u>19,750</u>	<u>8,463</u>
Short term fixed deposits with licensed banks with maturity more than 3 months	(11,333)	(6,148)
	<u>8,417</u>	<u>2,315</u>

**The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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						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	Total RM'000		
<b>Preceding year corresponding period 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 financial year	-	-	(3,781)	-	-	(3,781)	482	(3,299)
Total comprehensive income/(loss) for the period	-	-	886	13,263	(822)	13,327	(1,771)	11,556
Realisation of revaluation reserve	-	-	5,159	-	(4,275)	884	(884)	-
<b>Transactions with owner</b>								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(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>

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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 2023</b>								
<b>Balance as at 1 January 2023</b>	120,000	(7,509)	198,803	(24,899)	246,045	532,440	32,284	564,724
Profit for the period	-	-	14,541	-	-	14,541	1,227	15,768
Other comprehensive (loss)/ income	-	-	(2,027)	26,971	2,253	27,197	(1,185)	26,012
Revaluation reserve	-	-	9,011	-	18,341	27,352	11,656	39,008
<i>Transactions with owners</i>								
Acquisition of shares from non- controlling interest	-	-	33,228	-	-	33,228	(33,228)	-
<b>Balance as at 30 September 2023</b>	<b>120,000</b>	<b>(7,509)</b>	<b>253,556</b>	<b>2,072</b>	<b>266,639</b>	<b>634,758</b>	<b>10,754</b>	<b>645,512</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 2022 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 2022. 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 2022.

**2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2022 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2023. 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 16, Leases: Lease Liability in a Sale and Leaseback 1 January 2024	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024

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 2022 was unqualified.

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**4. Seasonality or cyclical 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 30 September 2023.

**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 2023</b>				
<b>Segment Revenue</b>				
External revenue	120,398	2,695	-	123,093
Inter-segment revenue	-	2	(2)	-
Total	<u>120,398</u>	<u>2,697</u>	<u>(2)</u>	<u>123,093</u>
<b>Segment Results</b>				
Unallocated corporate expenses	21,846	283	-	22,129
Profit from operation				<u>(2,164)</u>
Finance costs				19,965
Profit before tax				<u>(7,706)</u>
Income tax expense				12,259
Profit for the period				<u>(675)</u> <u>11,584</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 2023</b>				
<b>Segment Revenue</b>				
External revenue	330,829	6,284	-	337,113
Inter-segment revenue	-	1	(1)	-
<b>Total</b>	<b>330,829</b>	<b>6,285</b>	<b>(1)</b>	<b>337,113</b>
<b>Segment Results</b>				
Unallocated corporate expenses				(7,004)
Profit from operation				40,031
Finance costs				(22,591)
Profit before tax				17,440
Income tax expenses				(1,672)
Profit for the period				<u>15,768</u>
<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)	-
<b>Total</b>	<b>97,962</b>	<b>1,758</b>	<b>(1)</b>	<b>99,719</b>
<b>Segment Results</b>				
Unallocated corporate expenses				(4,584)
Loss from operation				(2,856)
Finance costs				(7,194)
Loss before tax				(10,050)
Income tax benefit				(84)
Loss for the period				<u>(10,134)</u>
<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 expenses				(13,469)
Profit from operation				11,951
Finance costs				(20,096)
Loss before tax				(8,145)
Income tax benefit				4,846
Loss for the period				<u>(3,299)</u>

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**10. Valuations**

There are no new valuations of property, plant and equipment for the current quarter.

**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 RM163,216,000 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 30 September 2023, the total amount owing to these financial institutions amounted to RM98,112,359.

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 2023 is as follows:

	<b>RM'000</b>
Approved and contracted	5,463
Approved but not contracted for	<u>21,495</u>
	<u><u>26,958</u></u>

**15. Review of performance**

The Group recorded profit before tax of RM12.259 million for the current quarter and profit before tax of RM17.440 million for the current year-to-date on the back of turnover of RM123.093 million and RM337.113 million respectively. These represent

- (a) an increase of 222% in profit before tax and an increase of 23% in revenue as compared to the loss before tax and revenue in the preceding year corresponding quarter ended 30 September 2022 respectively;
- (b) an increase of 314% in profit before tax and 10% in revenue as compared to the loss before tax and revenue in the preceding year corresponding period ended 30 September 2022 respectively.

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

The increase in profit before tax for current quarter and period ended as compared to preceding corresponding quarter and period ended was mainly due to increase in FFB production from the plantation segment by 31% and 35% as compared to preceding corresponding quarter and period ended respectively.

The increase in revenue for the current quarter and period ended was mainly due to increase in CPO and PK sales volume as compared to the corresponding quarter and period ended.

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 was increased by 23% for the current quarter and 10% as compared to previous quarter and period ended respectively was mainly due to increase in CPO and PK sales volume as well as FFB production as per below statistic:

	Current Year Quarter Ended 30/09/2023 Metric ton	Preceding Year Corresponding Quarter Ended 30/09/2022 Metric ton	%	Current Year- To- Date Ended 30/09/2023 Metric ton	Preceding Year Corresponding Period Ended 30/09/2022 Metric ton	%
- CPO sales volume	30,243	22,254	+36	79,232	55,152	+44
- PK sales volume	6,073	4,564	+33	15,285	11,831	+29
- Sabah FFB production	37,030	28,257	+31	90,941	66,467	+37
- Indonesia FFB production	58,206	43,914	+32	160,039	119,436	+34

The plantation segment registered a segment profit of RM21.846 million for the current quarter and RM47.489 million for period ended. This represented 1031% and 79% increase in segment profit. The increase was mainly due to the increase in FFB production from both Sabah and Indonesia region.

**Hotel segment**

The external revenue of the hotel segment increased by 53% for the current quarter and 54% for the period ended as compared to previous period was mainly due to higher occupancy rate contributed from school holiday seasonality and corporate events 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 RM17.440 million for the current quarter as compared to the profit before tax of RM5.181 million for the immediate preceding quarter ended 30 June 2023. Management attributes the increase in profit before tax was mainly due to increase in FFB production from plantation segment.

**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 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 for the period**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2023 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2022 RM'000	Current Year- To-Date Ended 30/09/2023 RM'000	Preceding Year Corresponding Period Ended 30/09/2022 RM'000
Amortisation and depreciation	13,535	13,285	40,496	39,006
Interest expenses	7,706	7,194	22,591	20,096
Interest income	(57)	-	(110)	(223)
Other income	(996)	(2,851)	(3,768)	(6,550)
Net unrealized loss on foreign exchange	654	4,071	2,687	9,757
Gain on disposal of property, plant and equipment	-	-	(13)	-
Gain on disposal of subsidiary	-	-	-	(1,187)
Property, plant and equipment written off	29	10	30	11

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**20. Income tax expense/(benefit)**

Income tax benefit comprises :-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2023 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2022 RM'000	Current Year- To-Date Ended 30/09/2023 RM'000	Preceding Year Corresponding Period Ended 30/09/2022 RM'000
Tax expense for the period:				
- Malaysian Income Tax	1,102	1,240	4,333	2,109
- relating to origination and reversal of temporary differences	(981)	(1,455)	(3,495)	(3,645)
- Real Property Gain Tax	-	-	-	62
	121	(215)	838	(1,474)
Over provided in prior years:				
- Malaysian Income Tax	548	(12)	563	(12)
- Deferred taxation	6	311	271	(3,360)
	675	84	1,672	(4,846)

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**The figures have not been audited**

**21. Status of corporate proposals**

There were no other corporate proposals which were announced but not completed as at 28 November 2023.

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

Particulars of the Group's borrowings as at 30 September 2023 are as follows: -

	<b>Secured RM'000</b>
<b>Short term borrowings</b>	
Revolving credits	125,121
Bankers' acceptance	39,750
Bank overdraft	2,973
Term loans	56,848
	<hr/>
	224,692
 Hire purchase and lease payables	 2,808
	<hr/>
<b>Sub-total</b>	<b>227,500</b>
	<hr/>
<b>Long term borrowings</b>	
Term loan	233,060
Hire purchase and lease payables	2,840
	<hr/>
<b>Sub-total</b>	<b>235,900</b>
	<hr/>
<b>Total Borrowings</b>	<b>463,400</b>

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

	<b>Foreign Currencies USD'000</b>	<b>RM Equivalent RM'000</b>
USD – Revolving credit @ 4.692	11,432	53,639
	 <b>IDR'000</b>	
IDR – Term loan @ 0.000304	647,500,000	196,840
		<hr/>
		250,479
		<hr/>

There are no debt securities issued as at 30 September 2023.

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**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 2023, 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 November 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 “Defendant” (Berkat Setia) have filed and served their written submissions to the Court after trial. Pending the issuance of the Grounds of Judgment of the High Court, the High Court delivered its decision on the matter on 01 December 2022 as follows:

- (a) The Plaintiffs' claim for an injunction, general and exemplary damages claim, and interest against Berkat Setia in prayers of the Amended Statement of Claim be dismissed;
- (b) Berkat Setia to pay the Plaintiffs the costs in the sum of RM50,000 subject to the payment of allocatur fee at 4% total of RM52,000.

After the decision, our Legal Counsel filed a Notice of Appeal for Berkat Setia on 22 December 2022 against the parts of the decision affecting Berkat Setia. Similarly, Counsel for the Plaintiffs have also filed a Notice of Appeal on 30 December 2022 against the parts affecting their damages and interest claim. The next E-Review for both appeals has been scheduled to be on 06 February 2024. 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**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter Ended 30/09/2023 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 30/09/2022 RM'000</b>	<b>Current Year- To-Date Ended 30/09/2023 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/09/2022 RM'000</b>
(a) Profit/(loss) attributable to equity holders of the parent	<u>12,210</u>	<u>(8,124)</u>	<u>14,541</u>	<u>(3,781)</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>10.45</u>	<u>(6.95)</u>	<u>12.44</u>	<u>(3.24)</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 November 2023.

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