



**NPC RESOURCES BERHAD (Registration No: 199901027413 (502313-P))**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2024 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2023 RM'000	Current Year- To-Date Ended 30/09/2024 RM'000	Preceding Year Corresponding Period Ended 30/09/2023 RM'000
Revenue	122,513	123,093	350,590	337,113
Operating expenses	(99,429)	(103,527)	(291,934)	(298,286)
Other operating income	4,152	1,053	8,532	3,891
<b>Profit from operations</b>	<b>27,236</b>	<b>20,619</b>	<b>67,188</b>	<b>42,718</b>
Finance costs	(7,260)	(7,706)	(22,236)	(22,591)
Net foreign exchange gain/(loss)	5,041	(654)	3,664	(2,687)
<b>Profit before tax – (Note 19)</b>	<b>25,017</b>	<b>12,259</b>	<b>48,616</b>	<b>17,440</b>
Income tax expenses – (Note 20)	(6,783)	(675)	(11,484)	(1,672)
<b>Profit for the period</b>	<b>18,234</b>	<b>11,584</b>	<b>37,132</b>	<b>15,768</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	(8,805)	9,705	(16,658)	25,997
Remeasurement of loss on employee defined benefit liabilities	-	15	-	15
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Revaluation of property, plant and equipment	17,499	3,171	21,557	36,363
Transfer of revaluation reserve to retained earnings	(17,499)	(3,171)	(21,557)	(9,011)
<b>Total comprehensive income for the period</b>	<b>9,429</b>	<b>21,304</b>	<b>20,474</b>	<b>69,132</b>
<b>Income/(loss) for the period attributable to:</b>				
Equity holders of the parent	17,825	12,210	35,789	14,541
Non-controlling interests	409	(626)	1,343	1,227
	<b>18,234</b>	<b>11,584</b>	<b>37,132</b>	<b>15,768</b>
<b>Total comprehensive income for the period attributable to:</b>				
Equity holders of the parent	9,020	22,115	19,131	57,434
Non-controlling interests	409	(811)	1,343	11,698
	<b>9,429</b>	<b>21,304</b>	<b>20,474</b>	<b>69,132</b>
<b>Profit per share attributable to equity holders of the parent:-</b>				
(a) Basic, for profit for the period (sen) - (Note 26)	15.28	10.45	30.64	12.44
(b) Diluted, for profit 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 2023 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 30/09/2024 RM'000</b>	<b>Audited 31/12/2023 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	855,736	964,288
Investment properties	14,059	14,314
Other receivables	20,492	36,139
Goodwill on consolidation	32,354	32,520
Deferred tax assets	274	230
	<u>922,915</u>	<u>1,047,491</u>
<b>Current assets</b>		
Inventories	23,468	26,882
Biological assets	10,835	7,559
Trade and other receivables	33,109	29,284
Tax refundable	10,859	392
Cash and bank balances	81,308	21,712
Assets held for sales	165,112	165,112
	<u>324,691</u>	<u>250,941</u>
<b>Current liabilities</b>		
Trade and other payables	107,196	127,709
Borrowings – (Note 22)	199,180	227,149
Provision for taxation	7,630	913
	<u>314,006</u>	<u>355,771</u>
Net current assets/ (liabilities)	<u>10,685</u>	<u>(104,830)</u>
	<u>933,600</u>	<u>942,261</u>
Share capital	120,000	120,000
Treasury shares	(7,839)	(7,509)
Retained earnings	295,079	233,238
Asset revaluation reserve	216,235	237,792
Foreign currency translation reserve	(34,456)	(13,303)
<b>Equity attributable to equity holders of the parent</b>	<u>589,019</u>	<u>570,218</u>
<b>Non-controlling interests</b>	<u>20,699</u>	<u>20,656</u>
<b>Total equity</b>	<u>609,718</u>	<u>590,874</u>
<b>Non-current liabilities</b>		
Borrowings – (Note 22)	195,028	218,541
Employee benefits	3,228	4,139
Deferred tax liabilities	125,626	129,107
	<u>323,882</u>	<u>351,787</u>
	<u>933,600</u>	<u>942,661</u>
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	<u>5.05</u>	<u>4.88</u>

**The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 30/09/2024 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/09/2023 RM'000</b>
Profit before tax	48,616	17,440
Adjustments for:-		
Amortisation and depreciation	37,039	40,496
Interest income	(270)	(110)
Fair value changes of biological assets	(3,276)	(790)
Finance costs	22,236	22,591
Gain on disposal of property, plant and equipment	(140)	(13)
Gain on disposal of a subsidiary	(1,166)	-
Net unrealised (gain)/ loss on foreign exchange	(3,664)	2,687
Property, plant and equipment written off	4	30
Provision for retirement benefits	(38)	-
Operating cash flows before changes in working capital	<u>99,341</u>	<u>82,331</u>
Changes in working capital		
Net change in inventories	1,728	9,947
Net change in receivables	(13,050)	28,992
Net change in payables	42,959	(69,691)
Interest received	270	110
Net taxes paid	(14,265)	(2,563)
Finance costs paid	(22,251)	(22,587)
Net cash flows generated from operating activities	<u>94,732</u>	<u>26,539</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(32,952)	(22,130)
Net proceeds from disposal of a subsidiary	29,960	-
Net proceeds from disposal of property, plant and equipment	341	383
Net cash flows used in investing activities	<u>(2,651)</u>	<u>(21,747)</u>
<b>Financing Activities</b>		
Dividends paid to non-controlling interest	(1,300)	-
Purchase of treasury shares	(330)	-
Repayment of borrowings	(56,415)	(140,687)
Proceeds from drawdown of bank borrowings	33,204	121,960
Net repayment of hire purchase liabilities	536	(1,578)
Net cash flows used in financing activities	<u>(24,305)</u>	<u>(20,305)</u>

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

	<b>Current Year-To- Date Ended 30/09/2024 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/09/2023 RM'000</b>
Net change in cash and cash equivalents	67,776	(15,513)
Effect of exchange rate changes on cash and cash equivalents	(1,659)	4,541
Cash and cash equivalents at beginning of financial period	3,546	19,389
Cash and cash equivalents at end of financial period (Note A)	<u>69,663</u>	<u>8,417</u>

Note:

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

Fixed deposits with licensed bank	12,456	11,340
Cash and bank balances	68,852	11,383
Bank overdraft	(1,608)	(2,973)
	<u>79,700</u>	<u>19,750</u>
Short term fixed deposits with licensed banks with maturity more than 3 months	(10,037)	(11,333)
	<u>69,663</u>	<u>8,417</u>

**The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 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
Total comprehensive (loss)/income for the period	-	-	(2,027)	26,971	2,253	27,197	(1,185)	26,012
Revaluation of property, plant and equipment	-	-	9,011	-	18,341	27,352	11,656	39,008
<b>Transactions with owner</b>								
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>

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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 2024</b>								
<b>Balance as at 1 January 2024</b>	120,000	(7,509)	233,238	(13,303)	237,792	570,218	20,656	590,874
Profit for the period	-	-	35,789	-	-	35,789	1,343	37,132
Other comprehensive income/(loss) for the period	-	-	4,495	(21,153)	-	(16,658)	-	(16,658)
Revaluation reserve	-	-	21,557	-	(21,557)	-	-	-
<b>Transactions with owners</b>								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,300)	(1,300)
Purchase of treasury shares	-	(330)	-	-	-	(330)	-	(330)
<b>Balance as at 30 September 2024</b>	<b>120,000</b>	<b>(7,839)</b>	<b>295,079</b>	<b>(34,456)</b>	<b>216,235</b>	<b>589,019</b>	<b>20,699</b>	<b>609,718</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 2023 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 2023. 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 2023.

**2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2023 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2024. 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 121: Lack of Exchangeability	1 January 2025

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 2023 was unqualified.

**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.

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**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 other than the Company had repurchased 168,700 of its issued ordinary shares from the open market at an average price of RM1.96. The total consideration paid for purchases including transaction costs was RM329,824. The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act 2016. None of the treasury shares has been resold or distributed as share dividends during the financial period ended 30 September 2024.

**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 2024</b>				
<b>Segment Revenue</b>				
External revenue	119,660	2,853	-	122,513
Inter-segment revenue	-	2	(2)	-
<b>Total</b>	<b>119,660</b>	<b>2,855</b>	<b>(2)</b>	<b>122,513</b>
<b>Segment Results</b>				
Unallocated corporate income				4,859
Profit from operation				32,277
Finance costs				(7,260)
Profit before tax				25,017
Income tax expense				(6,783)
<b>Profit for the period</b>				<b>18,234</b>



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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 2024</b>				
<b>Segment Revenue</b>				
External revenue	343,094	7,496	-	350,590
Inter-segment revenue	-	17	(17)	-
<b>Total</b>	<b>343,094</b>	<b>7,513</b>	<b>(17)</b>	<b>350,590</b>
<b>Segment Results</b>				
Unallocated corporate income	69,900	776	-	70,676
Profit from operation				176
Finance costs				70,852
Profit before tax				(22,236)
Income tax expenses				48,616
Profit for the period				(11,484)
				37,132
<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)	-
<b>Total</b>	<b>120,398</b>	<b>2,697</b>	<b>(2)</b>	<b>123,093</b>
<b>Segment Results</b>				
Unallocated corporate expenses	21,846	283	-	22,129
Profit from operation				(2,164)
Finance costs				19,965
Profit before tax				(7,706)
Income tax expense				12,259
Profit for the period				(675)
				11,584
<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	47,489	(454)	-	47,035
Profit from operation				(7,004)
Finance costs				40,031
Profit before tax				(22,591)
Income tax expenses				17,440
Profit for the period				(1,672)
				15,768

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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, except for corporate proposal as disclosed in Note 21.

**12. Changes in the composition of the Group**

There was no change in the composition of the Group for the current quarter.

**13. Contingent liabilities or contingent assets**

The Company provided corporate guarantees amounting to RM117,966,000 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 30 September 2024, the total amount owing to these financial institutions amounted to RM96,176,000.

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 2024 is as follows:

	<b>RM'000</b>
Approved and contracted	4,440
Approved but not contracted for	<u>21,003</u>
	<u><u>25,443</u></u>

**15. Review of performance**

The Group recorded profit before tax ("PBT") of RM25.017 million for the current quarter and RM48.616 million for the current year-to-date on the back of turnover of RM122.513 million and RM350.590 million respectively. These represent

- (a) an increase of 104% in PBT but a slight decrease of 0.5% in revenue as compared to the PBT and revenue in the preceding year corresponding quarter ended 30 September 2023 respectively;
- (b) an increase of 179% in PBT and 4% in revenue as compared to the PBT and revenue in the preceding year corresponding period ended 30 September 2023 respectively.

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

The increase in PBT for the current quarter and period ended was mainly due to higher average selling price of crude palm oil (“CPO”) and palm kernel (“PK”) prices and lower fertilizer prices as compared to preceding year corresponding quarter and period respectively.

The increase in revenue for the period was mainly due to higher average selling price of CPO and PK from plantation segment as compared to preceding year corresponding period.

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 registered as same level for the current quarter as compared to preceding year corresponding quarter. However, the external revenue for the period was increased by 4% as compared to preceding year corresponding period was mainly attributable to higher average selling price and higher sales volume of CPO and PK as per below statistic:

<b>For three months ended</b>	<b>30/09/2024</b>	<b>30/09/2023</b>	
	<b>Metric ton</b>	<b>Metric ton</b>	<b>%</b>
- CPO sales volume	27,848	30,243	-7.9
- PK sales volume	5,199	6,073	-14.4
- Sabah FFB production	31,574	37,030	-14.7
- Indonesia FFB production	54,366	58,206	-6.6
- Average selling price CPO	RM3,834/mt	RM3,491/mt	+9.8
- Average selling price PK	RM2,451/mt	RM1,729/mt	+41.7
<b>For nine months ended</b>	<b>30/09/2024</b>	<b>30/09/2023</b>	
	<b>Metric ton</b>	<b>Metric ton</b>	<b>%</b>
- CPO sales volume	80,361	79,232	+1.4
- PK sales volume	15,759	15,285	+3.1
- Sabah FFB production	87,770	90,941	-3.4
- Indonesia FFB production	161,060	160,039	+0.6
- Average selling price CPO	RM3,732/mt	RM3,634/mt	+2.7
- Average selling price PK	RM2,160/mt	RM1,779/mt	+21.4

The plantation segment registered a segment profit of RM26.789 million for the current quarter and RM69.900 million for the period. This represented 23% and 47% increase in segment profit respectively. The increase was mainly due to higher average selling price of CPO and PK as well as lower fertilizer prices from both Sabah and Indonesia region.

**Hotel segment**

The external revenue of the hotel segment increased by 6% for the current quarter and 19% for the period as compared to preceding year corresponding quarter and period was mainly due to higher occupancy rate and higher room rates contributed from domestic tourism and followed by China and Korea travellers during the quarter under review.

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

The Group recorded a PBT of RM25.017 million for the current quarter as compared to the PBT of RM18.134 million for the immediate preceding quarter ended 30 June 2024. Management attributes the increase in PBT was mainly due to higher average selling price of CPO and PK and higher net foreign exchange gain of RM5.041 million for the current quarter as compared to immediate preceding quarter.

**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 recent proposed increase in minimum wage rate from RM1,500 to RM1,700 per month with effect from 1 February 2025 will affect the group's cost of production in the future but this will be partly mitigated by the proposed increase in the threshold price for windfall tax levy by RM150 to RM3,650 for Sabah with effect from 1 January 2025.

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 2024 to be influenced by the movement in commodities prices and rising production costs.

**Hotel segment**

The prospect of the hotel segment is improving constantly after pandemic couple with supports from Sabah Convention Bureau by promoting Sabah's Meetings, Incentives, Conferences and Exhibitions (MICE) industry to the world to help hoteliers ensure constant high hotel occupancy rate. Furthermore, the Sales Team is playing a proactive strategy to address the growing competition in the city such as promoting hotel's function room, ballroom and conference room to increase the revenue for the hotel.

**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 30/09/2024 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2023 RM'000	Current Year- To-Date Ended 30/09/2024 RM'000	Preceding Year Corresponding Period Ended 30/09/2023 RM'000
Amortisation and depreciation	11,830	13,473	37,039	40,434
Interest expenses	7,260	7,706	22,236	22,591
Interest income	(167)	(57)	(270)	(110)
Other income	(2,822)	(996)	(6,956)	(3,768)
Net unrealised (gain)/loss on foreign exchange	(5,041)	654	(3,664)	2,687
Gain on disposal of a subsidiary	(1,166)		(1,166)	-
Loss/(gain) on disposal of property, plant and equipment	3	-	(140)	(13)
Property, plant and equipment written off	-	29	4	30

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**

Income tax benefit comprises :-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2024 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2023 RM'000	Current Year- To-Date Ended 30/09/2024 RM'000	Preceding Year Corresponding Period Ended 30/09/2023 RM'000
Tax expense for the period:				
- Malaysian Income Tax	1,230	1,102	3,136	4,333
- Indonesia Corporate Tax	4,988	-	7,227	-
- relating to origination and reversal of temporary differences	565	(981)	2,382	(3,495)
	6,783	121	12,745	838
Under provided in prior years:				
- Malaysian Income Tax	-	548	4	563
- Deferred taxation	-	6	(1,265)	271
	6,783	675	11,484	1,672

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**21. Status of corporate proposals**

- (i) On 15 March 2024, the subsidiaries of Company, Berkat Setia Sdn Bhd, Bonus Indah Sdn Bhd and Kian Merculaba Sdn Bhd entered into Sale and Purchases Agreement(s) respectively with Sungei Mangis Plantation Sdn Bhd, a wholly-owned subsidiary of Tamaco Plantation Sdn Bhd to dispose 13 parcels of oil palm plantation land for a total sale consideration of RM165.112 million to be satisfied in cash.

The aforementioned plantation assets were 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 of Disposal Group has classified as held for sale are as follows:

	<b>As at current period ended 30/09/2024 RM’000</b>
<b>Property, plant and equipment,</b>	
Assets of disposal group classified as held for sale	<u>165,112</u>

- (ii) On 30 August 2024, the indirect wholly owned subsidiary of the Company, PT Berau Utama BerkatSetia has entered into the Share Purchase Agreement (“SPA”) with PT Bayan Resources Tbk and PT Bayan Energy, collectively known as "the Purchasers" in relation to the proposed disposal of its entire equity interest in PT Enggang Alam Sawita comprising of 1,506,078 ordinary shares ("the Sale Shares") at a consideration sum of IDR105,148,815,422. The transaction is deemed completed on 30 August 2024 concurrently with the completion of the due diligence exercise by Purchasers and fulfilment conditions as stipulated in SPA.

	<b>RM’000</b>
Proceeds from disposal of the Sale Shares	29,967
Less: Share Capital	(38,272)
Accumulated loss brought forward	43,204
Loss for the period	1,050
Consolidation and revaluation adjustments	<u>(34,783)</u>
<b>Net Gain on Disposal of a Subsidiary</b>	<u>1,166</u>

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

Particulars of the Group’s borrowings as at 30 September 2024 are as follows: -

	<b>Secured RM’000</b>
<b>Short term borrowings</b>	
Revolving credits	104,131
Bank overdraft	1,608
Bankers’ acceptance	39,633
Term loans	<u>51,009</u>
	196,381
Hire purchase and lease payables	<u>2,799</u>
<b>Sub-total</b>	<u>199,180</u>

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

Particulars of the Group's borrowings as at 30 September 2024 are as follows: -

	<b>Secured RM'000</b>
<b>Long term borrowings</b>	
Term loan	191,830
Hire purchase and lease payables	3,198
<b>Sub-total</b>	<u>195,028</u>
<b>Total Borrowings</b>	<u>394,208</u>

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 @ 4.122	8,576	35,350
	<b>IDR'000</b>	
IDR – Term loan @ 0.000272	720,495,400	<u>195,975</u>
		<u>231,325</u>

There are no debt securities issued as at 30 September 2024.

**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 2024, there were no outstanding derivatives (including financial instruments designated as hedging derivatives).

(b) Derivative Financial Instruments

The Group entered into CPO pricing swap contracts offered by certain reputable banks in Malaysia to mitigate the exposure to fluctuations in the price of CPO in accordance with the guidelines set by the Management.

As at the date of the statement of financial position, there are no outstanding the CPO pricing swap contracts.

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**23. Financial Instruments (continued)**

(c) Gains or Losses Arising From Fair Value Changes of Financial Instruments

The fair value change is due to the difference between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods.

Fair value gain is recorded when the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange is lower than the contracted fixed CPO prices. Conversely, a fair value loss will be recorded when the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange are higher than the contracted fixed CPO prices.

**24. Changes in material litigation**

There was no pending material litigation as at 22 November 2024, 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 hearing for both appeals has been scheduled to be on 11 September 2025. 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.



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**26. Profit per share**

**(a) Basic**

Basic profit per share amounts are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter Ended 30/09/2024 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 30/09/2023 RM'000</b>	<b>Current Year- To-Date Ended 30/09/2024 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/09/2023 RM'000</b>
(i) Profit attributable to equity holders of the parent	<u>17,825</u>	<u>12,210</u>	<u>35,789</u>	<u>14,541</u>
(ii) Weighted average number of shares	<u>116,632</u>	<u>116,863</u>	<u>116,804</u>	<u>116,863</u>
(iii) Basic profit per share (sen)	<u>15.28</u>	<u>10.45</u>	<u>30.64</u>	<u>12.44</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 2024.

By Order of the Board  
Dorothy Luk Wei Kam  
Company Secretary  
Kota Kinabalu, Sabah  
28 November 2024