NPC Resources Berhad

Registration No :199901027413 (502313-P)

ANNUAL REPORT 2024

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Ted Hing
(Non-Independent Non-Executive Chairman)

Dato' Loo Pang Kee
(Executive Director/Group Managing Director)

Dato' Ooi Sek Min
(Independent Non-Executive Director)

Hajah Shakinur Ain Binti Hj Karama
(Independent Non-Executive Director)

Datuk Goh Giok Yee
(Independent Non-Executive Director)

Chai Chih Kai
(Executive Director)

AUDIT COMMITTEE

Dato' Ooi Sek Min	(Chairman)
Hajah Shakinur Ain Binti Hj Karama	(Member)
Datuk Goh Giok Yee	(Member

COMPANY SECRETARIES

Dorothy Luk Wei Kam	(MAICSA 7000414) SSM PC No: 202008001484

REGISTERED OFFICE

Lot 9, T3
Taman Tshun Ngen
Mile 5, Jalan Labuk
90000 Sandakan, Sabah
Tel : +6089-274488
Fax : +6089-226711

SHARE REGISTRAR

BoardRoom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7890 4700
Fax : +603-7890 4670

INDEPENDENT AUDITOR

PKF PLT
202206000012 (LLP0030836-LCA) & AF 0911
Chartered Accountants
Lot 23-1 & 25-1, 1st Floor
Lintas Plaza, Lorong Lintas Plaza
88300 Kota Kinabalu, Sabah
Malaysia

PRINCIPAL BANKERS

AmBank (M) Berhad
AmBank Islamic Berhad
Al Rajhi Banking & Investment Corporation
(Malaysia) Bhd
Maybank Islamic Berhad
RHB Bank Berhad
RHB Islamic Bank Berhad
PT Bank Mandiri Tbk

SOLICITOR

M.F. Poon, Hiew & Associates
Advocates & Solicitors
Mezzanine Floor, Lot 1 & 2,
Block B, Taman Grandview,
Jalan Buli Sim-Sim.
90000 Sandakan, Sabah
Malaysia

STOCK EXCHANGE LISTING

Main Market of the
Bursa Malaysia Securities Berhad

DIRECTORS' PROFILE

Lim Ted Hing
Independent Non-Executive Chairman

Malaysian | Male | Aged 70

was appointed as the Independent Non-Executive Director of NPC on 25 February 2002 and redesignated as Non-Independent Non-Executive Chairman on 31 March 2023. He is a member of the Malaysian Institute of Accountants and a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"). He obtained his Fundamentals of Accounting from the North East London Polytechnic in 1977. Upon completion, he joined Malvern & Co., a firm of chartered accountants based in London, as an Articled Clerk during which he completed the ICAEW professional examinations in 1983. He joined Ernst & Young in 1985 and was the Senior Manager of its office in Sandakan prior to joining Syarikat Tekala Sdn. Bhd. in 1994 as the Group Financial Controller. Later in June 1996, he was appointed as an Executive Director/Chief Operating Officer of Tekala Corporation Berhad ("Tekala"), a company listed on the Main Market of Bursa Malaysia, and its subsidiaries. In January 2013, he was appointed as the Group Managing Director/Chief Executive Officer of Tekala. In July 2017, WMG Holdings Bhd. ("WMG") reverse took over Tekala and assumed its listing status. He was an Exco Chairman/ Executive Director of WMG Group from 5 September 2017 to 2 December 2024. On 14 August 2019, he was appointed as an Independent Non-Executive Director of Innoprise Plantations Berhad ("IPB"). Other than his business interest in IPB, he also sits on the board of several other private limited companies. He has no family relationship with any other directors or major shareholders of the Company nor any conflict of interest with the Company. He has never been convicted for any offence within the past 5 years and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2024. He attended all the five (5) board meetings held during the financial year from 1 January 2024 to 31 December 2024.

Dato' Loo Pang Kee
Executive Director/ Group Managing Director

Malaysian | Male | Aged 55

is the co-founder of NPC Resources Berhad. He has served as the Group Managing Director cum CEO since 31st January 2002. Dato' Loo has over 30 years of extensive background in the oil palm plantation and related industries. He plays a key role in spearheading the expansion and new-business growth of the entire organisation. He is an alumnus of Harvard Business School. Save as disclosed in Note 32 to the Financial Statements, he has no conflict of interest with the Company. He has never convicted for any offence in the past 5 years and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2024. He attended all five (5) board meetings held during the financial year from 1 January 2024 to 31 December 2024.

Dato' Ooi Sek Min
Independent Non-Executive Director

Malaysian | Male | Aged 56

was appointed as the Independent Non-Executive Director of NPC on 27 February 2020. He currently sits on the Audit Committee, Remuneration Committee, Nomination Committee and Risks and Sustainability Management Committee. He is a member of the Malaysian Institute of Accountants, a member of CPA Australia and a Registered Estate Negotiator of The Board of Valuers, Appraisers and Estate Agents Malaysia. He obtained his Master of Business Administration (Finance) from University of Hull, United Kingdom in year 1995. He began his career in Price Waterhouse (now known as PricewaterhouseCoopers) from year 1993 to 1997. In 1997, he joined SJ Securities Sdn Bhd as commissioned dealer before joining Elite International as General Manager in year 2004. Currently, he is a Chief Executive Officer of Zens Group and an Advisor of Business Development & International Properties for Carey Real Estate Sdn Bhd. He has no family relationship with any other directors or major shareholders of the Company nor any conflict of interest with the Company. He has never been convicted for any offence within the past 5 years and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2024. He attended all the five (5) board meetings held during the financial year from 1 January 2024 to 31 December 2024.

DIRECTORS' PROFILE (CONT'D)

Hajah Shakinur Ain Binti Hj Karama
Independent Non-Executive Director

Malaysian | Female | Aged 56

was appointed as Independent Non-Executive Director of the NPC on 31 March 2023. She currently sits on the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee. She obtained honours degree in Bachelor of Law (LLB) from University of Malaya in 1991. She Chambered at Messrs Peter Lo & Co from May 1991 to June 1992 and was admitted as an Advocate and Solicitor of the High Court of Sabah and Sarawak in June 1992. Thereafter, she served as a legal assistant at the firm until 2005, when she was made a partner. In October 1996, she was allowed by the Sabah Chief Syar'ie Judge to practice as a Syar'ie Lawyer in the Syariah Courts of Sabah. She was the Secretary of the Inquiry Committee from 1 September 2006 to 31 August 2008. During that time, she, together with the Chairman and other members of the committee, presided over cases of complaints against Advocates in Sabah. Currently, she is in charge of conventional and Islamic conveyancing and banking matters at Messrs Peter Lo & Co. Her experience encompasses general banking matters, corporate loan facilities, finance documentation and conventional and Islamic financing structures. She was an Independent Non-Executive Director of WMG Holdings Bhd from 4 July 2017 to 2 December 2024. She has no family relationship with any other directors or major shareholders of the Company nor any conflict of interest with the Company. She has never been convicted for any offence within the past 5 years and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2024. She attended all the five (5) board meetings held during the financial year from 1 January 2024 to 31 December 2024.

Datuk Goh Giok Yee
Independent Non-Executive Director

Malaysian | Female | Aged 55

was appointed as Independent Non-Executive Director of the NPC on 28 August 2023. She currently sits on the Audit Committee. She is a certified public accountant and has started her career in Washington DC as an accounting analyst with Westinghouse Broadcasting in 1990. She has stamped her mark as the founder of Zara's Boutique Hotel, Kapitan Masyarakat Cina (Chinese community leader) for Kota Kinabalu and an exemplary President of the Rotary Club of Kota Kinabalu Pearl. She is now the Managing Director of Zara's Boutique Hotel, and she has made history 2012 by establishing iconic hotel, the first of its kind in Southeast Asia as an all-women operated accommodation facility. She has no family relationship with any other directors or major shareholders of the Company nor any conflict of interest with the Company. She has never been convicted for any offence within the past 5 years and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2024. She attended four (4) out of five (5) board meetings held during the financial year from 1 January 2024 to 31 December 2024.

Chai Chih Kai
Executive Director

Malaysian | Male | Aged 45

was appointed as Executive Director of the NPC on 26 February 2024. He started his career as an Audit Assistant in Ernst & Young from August 2009 to July 2012. Subsequently, he joined NPC Resources Berhad ("NPC") as an Accountant in August 2012 and in August 2015 he was the General Manager of PT Sawit Nusantara Makmur Utama, a subsidiary of NPC and was promoted to Chief Financial Officer in January 2019. Currently he is the Chief Operating Officer of PT Sawit Nusantara Makmur Utama overseeing the plantations, monitoring the day-to-day operations on estate upkeeps, harvesting and oil mill processing, creating policies for cost control and implementing better strategies and SOP, setting and presenting annual production targets, budgets and capital expenditures. He has no family relationship with any other directors or major shareholders of the Company nor any conflict of interest with the Company. He has never been convicted for any offence within the past 5 years and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2024. He attended all the five (5) board meetings from the date of appointment on 26 February 2024 to 31 December 2024.

Dear Stakeholders,

On behalf of the Board of Directors ("Board") of NPC Resources Berhad ("NPC" or the "Group"), I am honoured to present to you the Annual Report of the Group for the financial year ended 31 December 2024 ("FY2024").

GROUP BUSINESS DEVELOPMENTS

Plantation segment is a core business of NPC, which is engaged in the cultivation of oil palm and processing of palm oil. Today, the Group has total plantation landbank of 44,388 hectares ("ha") and 2 palm oil mills across Malaysia and Indonesia. NPC is diversifying into other higher value crops such as durian to generate higher returns to the Group.

In Sabah, we are cultivating approximately 7,739 ha of plantation land of which 3,730 ha is located in the district of Sandakan, Labuk-Sugut and Kinabatangan and 4,009 ha located in the district of Kudat and operate one (1) palm oil processing mill with production capacity of 75 metric tonnes ("MT") per hour of Fresh Fruit Bunches ("FFB"). The palm oil processing mill is located at Kilometre 70, Sandakan-Telupid-Kota Kinabalu Highway in the district of Labuk-Sugut ("Berkat mill").

In Indonesia, we have total plantation landbank of 36,649 ha is located in province Kalimantan Timur of which 34,174 ha has been issued with certificates of Hak Guna Usaha by the Indonesian authority ("HGU certificates"). As of FY2024, our total total planted area stands at 18,955 ha of which 3,318 ha was allotted to Plasma Schemes. We also operate one (1) palm oil processing mill with production capacity of 60 MT per hour of FFB and is located at Desa Senambah, Kecamatan Muara Bengkal, Kebupaten Kutai Timur, Kaltim ("Nala mill").

INDUSTRY DEVELOPMENTS

The Malaysian oil palm industry experienced a mixed performance in 2024 compared to the previous year. The oil palm planted area saw a slight decline, primarily due to ongoing site preparations for replanting initiatives, as well as the conversion of oil palm land to alternative agricultural or developmental uses, such as coconut cultivation and residential, commercial, or industrial projects.

Crude palm oil (CPO) production, however, saw a modest increase of 4.2%, reaching 19.34 million tonnes, up from 18.55 million tonnes in 2023. This growth was driven by improved labour availability in the plantation sector, which shortened harvesting intervals and enhanced maintenance activities. Additionally, the more efficient labour situation contributed to a 5.8% rise in FFB yield, which reached 16.70 tonnes per hectare, compared to 15.79 tonnes per hectare in 2023.

On the other hand, the oil extraction rate (OER) declined by 1.0%, falling to 19.67% from 19.86% in 2023. This reduction was largely due to a lower proportion of ripe and high-quality FFB being processed by palm oil mills. Furthermore, adverse weather conditions, particularly heavy rainfall in June, July, and the last quarter of the year, led to flooding in certain areas, further affecting OER performance

INDUSTRY DEVELOPMENTS (CONT'D)

The decrease in palm oil stocks was a result of higher export activity. In 2024, Malaysia's palm oil exports rose to 16.90 million tonnes, up from 15.14 million tonnes in 2023. India remained the largest importer of Malaysian palm oil for the 11th consecutive year, receiving 3.03 million tonnes, or 17.9% of total exports. Other significant markets included China (1.39 million tonnes, 8.2%), the European Union (1.29 million tonnes, 7.7%), Kenya (1.26 million tonnes, 7.5%), Turkiye (0.91 million tonnes, 5.4%), the Philippines (0.69 million tonnes, 4.1%), and Japan (0.60 million tonnes, 3.6%). These seven markets collectively accounted for 54.2% of total Malaysian palm oil exports in 2024, amounting to 9.17 million tonnes.

The average prices of oil palm products continued their upward trend in 2024, driven primarily by stronger export demand, lower palm oil stocks, and Indonesia's planned implementation of the B40 biofuel program in 2025. The average CPO price increased by 9.7%, reaching RM4,179.50 per tonne, compared to RM3,809.50 in 2023. The highest and lowest monthly average CPO prices were recorded in December and January, at RM5,119.50 per tonne and RM3,783.50 per tonne, respectively.

The prices of palm kernel ("PK") and crude palm kernel oil also saw significant increases, rising by 31.2% to RM2,645.50 per tonne and RM5,475.50 per tonne, respectively. This surge was driven by supply tightness and higher lauric oil prices in the global market. The average price of FFB at 1% OER rose by 13.5%, or RM5.36, to RM44.98 per tonne, compared to RM39.62 per tonne the previous year, thereby boosting the income of both smallholders and estates.

As a result of the higher CPO prices, total export earnings surged by 15.2%, reaching RM109.39 billion, up from RM94.95 billion in 2023.

Palm oil ending stocks closed lower in December 2024 after three consecutive years of increases, reaching 1.71 million tonnes-a decline of 0.58 million tonnes, or 25.4%, compared to 2.29 million tonnes in December 2023. This decrease was driven by a reduction in palm oil imports by 0.65 million tonnes, along with a 1.77 million tonne increase in palm oil exports compared to the previous year.

(Source: Overview of the Malaysian Oil Palm Industry 2024 by the MPOB)

CORPORATE DEVELOPMENT

(i) On 15 March 2024, the subsidiaries of the NPC, namely Berkat Setia Sdn Bhd ("BSSB"), Bonus Indah Sdn Bhd ("BISB") and Kian Merculaba Sdn Bhd ("KMSB") entered into Sale and Purchases Agreement(s) respectively with Sungei Mangis Plantation Sdn Bhd ("SMPSB"), 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.

On 18 December 2024, BSSB, BISB and KMSB have received the full payment of the purchase price from SMPSB and all conditions having been completed as specified in the Sale and Purchase Agreement(s) respectively, the Proposed Disposals are deemed duly completed.

Disposal of Lands to SMPSB	**Proposed utilisation**	**Actual utilisation up to 28 February 2025**
	RM'000	**RM'000**
Repayment of term loan and revolving credits	100,000	*104,233
New planting and replanting of plantation estates	^33,250	^6,162
General working capital	15,261	15,261
Real property gain tax ("**RPGT**") and other incidental costs in relation to the said disposal	16,600	*12,367
Total	**165,111**	**138,023**

CORPORATE DEVELOPMENT (CONT'D)

* *The actual RPGT and other incidental costs incurred in relation to the said disposal was approximately RM12.367 million. As such, the balance of approximately RM4.233 million was used to repay the Group's term loan and revolving credits.*

^ *Up to 28 February 2025, the Group has only utilised approximately RM6.162 million for the new planting and replanting of its plantation estates. The Group intends to fully utilise the remaining RM27.088 million within the 24 months' period following the receipt of the full payment of the said consideration from SMPSB on 18 December 2024.*

(ii) On 30 August 2024, the indirect wholly owned subsidiary of NPC, 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.

Proceeds from Disposal of PT Enggang Alam Sawita	Proposed utilisation	Actual utilisation
	IDR'000	**IDR'000**
New planting of plantation estates in Indonesia	62,724,000	62,724,000
General working capital	42,424,815	42,424,815
Total	**105,148,815**	**105,148,815**

(iii) On 7 February 2025, NPC has received a letter from Jubilant Ventures Sdn Bhd and Dato' Loo Pang Kee (collectively, the "Joint Offerors"), informing NPC of their intention to privatise our Group by way of a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 ("Act") and requesting NPC to undertake the Proposed SCR ("SCR Offer Letter").

On 17 February 2025, NPC had appointed AmInvestment Bank Berhad ("AmIB") as the Principal Adviser for the Proposed SCR. On the even date, NPC had also appointed DWA Advisory Sdn Bhd ("DWA") as the Independent Adviser to provide comments, opinions, information and recommendation to the Non-Interested Board and the non-interested shareholders of NPC in respect of the Proposed SCR.

On 28 February 2025, on behalf of our Board, AmIB announced that the Non-Interested Directors had deliberated on the contents of the SCR Offer Letter after taking into consideration the advice of the Independent Adviser and had resolved to table the Proposed SCR based on the terms of the SCR Offer Letter to all the Non-Interested Shareholders for their consideration and approval.

On 3 April 2025, NPC had issued Circular to shareholders in relation to Proposed SCR of NPC pursuant to Section 116 of the Act and Independent Advice Letter from DWA to Non-Interested Shareholders of NPC in relation to Proposed SCR. On the even date, the Board had issued Notice of Extraordinary General Meeting ("EGM") held on 25 April 2025 passing Special Resolution for the Proposed SCR.

On 25 April 2025, the Special Resolution was duly approved by Non-Interested Shareholders at the EGM. The Company has on 28 April 2024 filed a petition to the High Court of Sabah and Sarawak ("High Court") to obtain an order by the High Court confirming the reduction of the share capital of the Company under Section 116 of the Act to give effect to the Proposed SCR.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

At NPC, sustainability remains a key pillar of our strategy. We are committed to responsible environmental stewardship, social equity, and economic growth. Our sustainability efforts are reflected in our replanting programs, waste management practices, and community engagement initiatives. We continue to invest in initiatives that promote environmental sustainability while contributing to the well-being of the communities where we operate.

CAPITAL MANAGEMENT

The Group continues to manage its capital structure in a proactive manner to support its business and to enhance returns to shareholders while optimizing the gearing levels. The Group shall practice prudent capital management and maintain ample cash reserves to be able to capitalise on any future investment opportunities.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express our sincere gratitude to the management and valued employees of NPC who have continued with their commitment, dedication and co-operation in contributing to this financial year's results.

I would also like to express our sincere appreciation for the long-standing support, co-operation, commitment and guidance of our valued customers, suppliers, business associates, bankers and regulatory authorities.

Lastly, to the shareholders of the Company, we thank you for your faith in us and for your unwavering and continuous support to the Group.

Thank you.

Lim Ted Hing
Non-Independent Non-Executive Chairman

STATEMENT OF MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW GROUP BUSINESS

NPC RESOURCES BERHAD is principally an investment holding company while its subsidiaries are involved in investment holding, provision of management services, cultivation of oil palm and processing oil mill, trading of FFB, provision of transportation services, property letting and operation of hotel. NPC was listed on the Main Board of the Kuala Lumpur Stock Exchange on 7 May 2002.

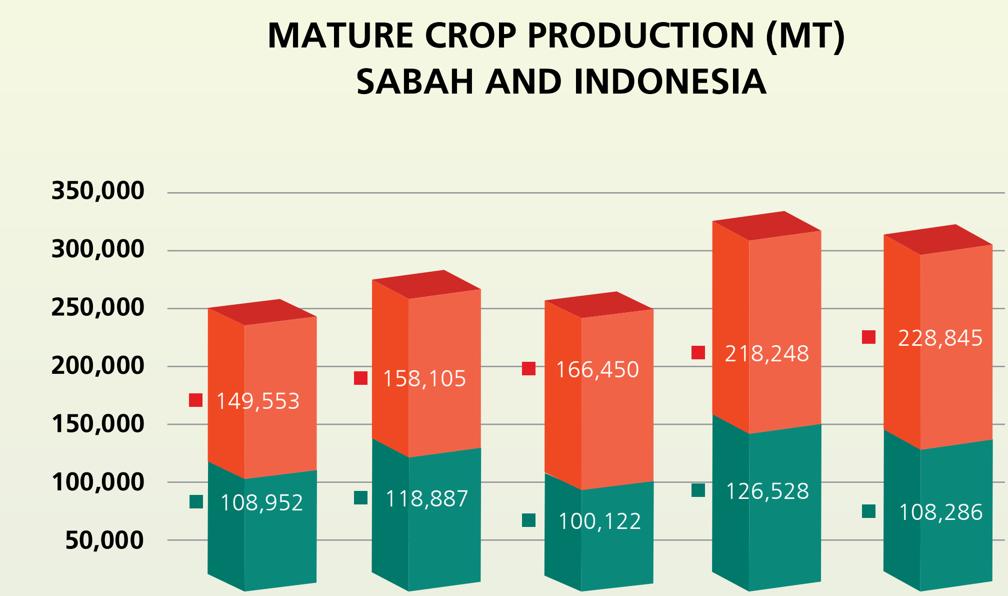
Today, the Group has total plantation landbank of 44,388 ha and 2 palm oil mills across Malaysia and Indonesia. NPC is diversifying into other higher value crops such as durian to generate higher returns to the Group.

In Sabah, we are cultivating approximately 7,739 ha of plantation land of which 3,730 ha is located in the district of Sandakan, Labuk-Sugut and Kinabatangan and 4,009 ha located in the district of Kudat and operate one (1) palm oil processing mill with production capacity of 75 MT per hour of FFB. The palm oil processing mill is located at Kilometre 70, Sandakan-Telupid-Kota Kinabalu Highway in the district of Labuk-Sugut ("Berkat mill").

In Indonesia, we have total plantation landbank of 36,649 ha is located in province Kalimantan Timur of which 34,174 ha has been issued with HGU certificates. As of FY2024, our total total planted area stands at 18,955 ha of which 3,318 ha was allotted to Plasma Schemes. We also operate one (1) palm oil processing mill with production capacity of 60 MT per hour of FFB and is located at Desa Senambah, Kecamatan Muara Bengkal, Kebupaten Kutai Timur, Kaltim ("Nala mill").

GROUP OPERATIONAL REVIEW

Estates operation



	2020	2021	2022	2023	2024
INDONESIA	149,553	158,105	166,450	218,248	228,845
SABAH	108,952	118,887	100,122	126,528	108,286

The Group's total FFB production for FY2024 stands at 337,131 MT, a slight decrease of 2.2% compared to 344,776 MT in FY2023. This decline is primarily attributed to reduced FFB productivity in the Sabah region, which saw a 14.4% drop compared to FY2023. The decrease in productivity is largely due to lower yields from mature palms that have passed their prime, coupled with the impact of the disposal of 13 parcels of oil palm plantation land.

In contrast, the Indonesia region experienced a 4.8% increase in FFB productivity, driven by higher yields from young, mature prime-age palm trees compared to the previous year.

STATEMENT OF MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

GROUP OPERATIONAL REVIEW (CONT'D)

Estates operation (Cont'd)

Overall, the Group achieved an average yield of 17.86 MT per hectare in FY2024, which represents a significant improvement over the 15.02 MT per hectare recorded in FY2023. This increase is largely attributed to strong yields from young mature palms in Indonesia and the exclusion of the 13 parcels of past-prime plantation land following their disposal.

Additionally, the Group has initiated a sustainable replanting program for its Sandakan plantation as part of its broader strategy to rejuvenate and rebalance the age profile of its palm oil estates. This initiative aligns with the Group's commitment to achieving more sustainable and long-term production outcomes.

Period ended	FY2024 (MT)	FY2023 (MT)	%
FFB production - Sabah	108,286	126,528	- 14.4
FFB production - Indonesia	228,845	218,248	+ 4.8
FFB production - Group	337,131	344,776	- 2.2
FFB yield mature ha - Sabah	17.09	14.56	+ 17.3
FFB yield mature ha - Indonesia	18.26	15.29	+19.3
Average FFB yield mature ha - Group	17.86	15.02	+18.9

Palm Oil Mills operation

The Group operates two palm oil processing mills, with a combined capacity of 135 MT per hour of FFB. One mill is located in Labuk-Sugut, Sabah, and the other in Kalimantan Timur, Indonesia.

For FY2024, the Group reported a total CPO production of 108,196 tonnes, an increase from 106,678 tonnes in FY2023. Palm Kernel (PK) production for the year was 20,834 tonnes, slightly lower than the 20,924 tonnes recorded in FY2023. The total FFB processed by the Group in FY2024 amounted to 512,101 tonnes, up from 507,945 tonnes in the previous year.

The Group achieved an improved average Oil Extraction Rate (OER) of 21.13% in FY2024, compared to 21.00% in FY2023. This increase was mainly driven by a higher proportion of ripe FFB processed through the mills. Meanwhile, the Kernel Extraction Rate (KER) for the Group stood at 4.07%, slightly lower than the 4.12% achieved in FY2023.

The average realised CPO price for FY2024 was RM3,895 per tonne, reflecting a 9.13% increase from RM3,569 per tonne in FY2023. This upward trend in CPO prices was primarily driven by stronger export demand, lower palm oil stocks, and the anticipated implementation of Indonesia's B40 biofuel program in 2025, which is expected to further bolster demand for palm oil.

Period ended	FY2024	FY2023	%
Average CPO price	RM3,895 /metric ton	RM3,569 / MT	+ 9.1
Average PK price	RM2,376 /metric ton	RM1,763 / MT	+ 34.8
OER – Berkat Mill	20.53%	20.40%	+0.6
OER – Nala Mill	21.35%	21.20%	+0.7
KER – Berkat Mill	4.34%	4.45%	-2.4
KER – Nala Mill	3.43%	3.34%	+2.7

GROUP OPERATIONAL REVIEW (CONT'D)

Capital Expenditure

The Group recorded a capital expenditure of RM72.72 million in property, plant and equipment in the current year as compared to RM42.84 million in the previous year. All capital expenditures are funded by internally generated funds and external borrowings.

The sustainable replanting programme that was in pipeline was carried out as planned. The Group maintained its policy to pursue with replanting both in times of low as well as high palm product prices in order to achieve the desired oil palm age profile for the Group. Failure to implement this critical aspect of plantation management will inevitably lead to stagnating yields and declining crop production in the future. The Group is committed adopting best practice replanting management in accordance with Malaysian Sustainable Palm Oil ("MSPO") guidance "zero burning policy" where old palm stands are felled, chipped and left to decompose at site. The Group will continue to accelerate the sustainable replanting programme in order to achieve the desired oil palm age profile for the Group. The oil palm seedlings are ready for supplying to the designated replanting area in year 2025.

FINANCIAL HIGHLIGHTS AND INSIGHTS

In RM thousand unless otherwise stated	2020	2021	2022	2023	2024
FINANCIAL RESULTS					
Revenue	264,706	350,127	413,292	447,296	497,847
(Loss)/profit before tax	(16,498)	7,672	(3,467)	17,816	57,843
Income tax credit/(expenses)	2,606	3,499	4,575	(7,319)	(16,548)
(Loss)/profit after tax	(13,892)	11,171	1,108	10,497	41,295
Attributable to:					
Owners of parent	(12,335)	10,451	(1,625)	9,582	41,030
Non-controlling interests	(1,557)	720	2,733	915	265
FINANCIAL STATISTICS					
Net (loss)/earning per share (sen)	(10.56)	8.94	(1.39)	8.20	35.14
Dividend per share (sen)	-	-	-	-	-
Net assets per share (RM)	4.28	4.36	4.55	4.88	5.42
Gearing ratio (Net Debt/Equity) (%)	89.7	73.2	77.3	71.7	30.6

STATEMENT OF MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL HIGHLIGHTS AND INSIGHTS (CONT'D)

FINANCIAL POSITION	2020	2021	2022	2023	2024
ASSETS				(Restated)	
Property, plant and equipment	1,162,153	1,115,148	1,128,144	978,602	892,919
Other assets	100,603	49,276	51,796	68,889	45,666
	1,262,756	**1,164,424**	**1,179,940**	**1,047,491**	**938,585**
Current assets	48,219	123,196	156,256	242,487	111,731
TOTAL ASSETS	***1,310,975***	***1,287,620***	***1,336,196***	***1,289,978***	***1,050,316***
EQUITY AND LIABILITIES					
Share capital	120,000	120,000	120,000	120,000	120,000
Reserves	362,502	389,911	412,440	450,218	513,009
	482,502	**509,911**	**532,440**	**570,218**	**633,009**
Non-controlling interests	27,980	23,591	32,284	20,656	(4,833)
Total equity	**510,482**	**533,502**	**564,724**	**590,874**	**628,176**
Non-current liabilities	296,212	403,568	368,711	351,787	261,963
Current liabilities	504,281	350,550	402,761	347,317	160,177
Total liabilities	**800,493**	**754,118**	**771,472**	**699,104**	**422,140**
TOTAL EQUITY AND LIABILITIES	***1,310,975***	***1,287,620***	***1,336,196***	***1,289,978***	***1,050,316***

The Group's revenue for FY2024 increased by 11.30%, reaching RM497.847 million, compared to RM447.296 million in FY2023. This growth was primarily driven by higher average realised prices for both CPO and PK, which rose by 9.13% and 34.77%, respectively, from the plantation segment.

Net profit after tax for FY2024 surged to RM41.295 million, up significantly from RM10.497 million in FY2023. This substantial increase was largely attributable to the higher average prices for CPO and PK, as well as an improvement in the Oil Extraction Rate (OER) from the plantation segment.

The Group's gearing ratio stood at a conservative 0.30 times, reflecting its disciplined approach to managing debt. The Group remains committed to proactively managing its capital structure to support business growth, optimise returns to shareholders, and ensure sufficient funding for capital investments while maintaining prudent gearing levels.

OPERATIONAL AND FINANCIAL RISKS

Operational Risks

The Group's operations are significantly impacted by weather-related risks, particularly those associated with phenomena such as El Ni o and La Ni a. According to the "Overview of the Malaysian Oil Palm Industry 2024" report by the MPOB, adverse weather conditions, including heavy rainfall in June, July, and the final quarter of the year, resulted in flooding in certain regions. This negatively affected both the OER and FFB production.

Additionally, the Group is exposed to fluctuations in the global prices of CPO and PK. In 2024, oil palm product prices continued their upward trajectory, driven by stronger export demand, lower palm oil stocks, and the upcoming implementation of Indonesia's B40 biofuel program in 2025. The average CPO price rose by 9.7%, reaching RM4,179.50 per tonne, compared to RM3,809.50 in 2023. The highest and lowest monthly average CPO prices for the year were recorded in December and January, at RM5,119.50 per tonne and RM3,783.50 per tonne, respectively.

OPERATIONAL AND FINANCIAL RISKS (CONT'D)

Operational Risks (Cont'd)

In Sabah, the Group sells its CPO and PK through the Malaysian Palm Oil Board's (MPOB) average price mechanism, either under long-term contracts or spot sales, with additional hedging through forward physical sales. Meanwhile in Indonesia, CPO and PK are primarily sold based on the average tender price set by a state-owned entity, along with spot sales.

Furthermore, the plantation segment remains heavily reliant on a stable labour supply. Despite widespread labour shortages affecting various industries, the Management has made significant strides in ensuring the timely completion of key maintenance programmes across the Group's estates. The Group continues to invest in its workforce by offering enhanced performance-based incentives to attract and retain skilled and talented employees.

Financial Risks

The Group's financial risks are set out in Note 35 under the Notes to the financial statements.

OUTLOOK AND PROSPECTS

Plantation segment

The Group remains optimistic about the long-term outlook of the palm oil industry, driven by the ongoing growth in global population and household incomes. Additionally, the tight global supply and Indonesia's forthcoming B40 biodiesel mandate provide a solid foundation for maintaining firm CPO prices into 2025.

The recent proposal of increase the minimum wage from RM1,500 to RM1,700 per month, has been effective from 1 February 2025, is expected to impact the Group's production costs. However, this will be partially offset by the planned increase in the windfall tax levy threshold by RM150 to RM3,650 in Sabah, effective from 1 January 2025.

The Group will continue to focus on enhancing operational efficiencies and driving performance to new heights. With ongoing improvements in productivity, the implementation of best-in-class plantation management practices, and cost-effective strategies, the Group is well-positioned to navigate future challenges. As a result, the Group expects the plantation segment's performance to remain resilient and potentially strengthen further in 2025.

Hotel segment

The prospects for the hotel segment are steadily improving as the industry continues to recover post-pandemic, supported by efforts from the Sabah Convention Bureau to promote Sabah's Meetings, Incentives, Conferences, and Exhibitions (MICE) industry on the global stage. These initiatives have been instrumental in helping hoteliers maintain high occupancy rates. Additionally, the Sales Team has adopted a proactive strategy to tackle the growing competition within the city, focusing on promoting the hotel's function rooms, ballroom, and conference facilities to drive additional revenue streams.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises that strong corporate governance is essential to the long-term success of the Group. It is committed to upholding the highest standards of corporate governance across all operations, ensuring that practices are aligned with the principles of transparency, accountability, and integrity. By doing so, the Board seeks to foster continuous and sustainable growth that benefits all shareholders and stakeholders.

The Board is pleased to present this statement to provide shareholders and stakeholders with some insights into how the Board has applied the three (3) principles which are set out in the Malaysian Code on Corporate Governance (the "MCCG"):

(a) Board leadership and effectiveness;
(b) Effective audit and risk management; and
(c) Integrity in corporate reporting and meaningful relationship with stakeholders.

The Board has assessed that the Group has complied with the provisions and applied the main principles of MCCG 2021 except for:

i) Practice 7.1 (The remuneration policies made available on the website)
ii) Practice 8.2 (The Board discloses on a named basis the top 5 senior management's remuneration in bands of RM50,000)
iii) Practice 8.3 (Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis)

The occurrence of deviations to the practice by the Group with the reasons and alternative actions are explained in the Corporate Governance Report.

PRINCIPLES A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board holds a central role in corporate governance, guiding the Group's strategic direction, setting clear objectives, and overseeing the progress towards achieving these goals. In addition, a structured risk management framework has been implemented to systematically identify, formalize, and monitor business risks across the Group's various operating units. This ensures that risks are effectively managed and mitigated. The key responsibilities of the Board are outlined in the Corporate Governance Report 2024.

Roles of Chairman and CEO

The Group Managing Director, Dato' Loo Pang Kee, who assumes the role of CEO, focused on the business and day-to-day management of the Group. There has been a clear division of the roles of Chairman and CEO in their responsibilities and influence, and the Board is satisfied that no one individual can influence board discussions and decision-making.

Company Secretaries

The Company Secretary is entrusted with providing clear, professional advice to the Board on all governance matters, ensuring the implementation of an effective corporate governance framework. In addition to playing an integral role in advising the Board on governance and regulatory issues, the Company Secretary, in collaboration with the Chairman and Group Managing Director, oversees the logistics of all Board and committee meetings, ensuring that meetings are efficiently managed and that minutes are recorded accurately.

The Board acknowledges and highly values the proactive support of the Company Secretary in ensuring that Board procedures are adhered to and that relevant rules and regulations are consistently followed. Directors are made aware that they have the right to seek independent professional advice, if deemed necessary, to fulfil their duties, with the cost borne by the Group. The Company Secretary is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and commits to continuous professional development on an annual basis.

PRINCIPLES A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Board Charter

The Board is guided by the Board Charter which sets out the role, composition and responsibilities of the Board and is posted on the Company's corporate website (www.npc.com.my). The Board will review the Board Charter annually to ensure it remains consistent with the Board's objectives and responsibilities. In carrying out its role and responsibilities, the Board is further guided by the existing code of conduct formalised in the Group's Human Resource Handbook and its compliance is to be strictly observed throughout the Group.

Code of Conduct and Whistleblowing

The Board remains committed to upholding the Code of Conduct for Directors, which outlines the expected standards of behavior. The goal is to foster a culture of ethical conduct that reinforces values such as transparency, integrity, accountability, and social responsibility.

The Board acknowledges the critical importance of adhering to the provisions of the Code of Conduct in all aspects of its operations. As such, both collectively and individually, the Board acts within its delegated authority, always with the best interests of the Group in mind.

The Group ensures that the Code of Conduct for Directors, along with the broader Code of Conduct, is communicated to all employees upon their appointment or employment. Furthermore, the Group encourages employees to raise legitimate concerns regarding any potential improprieties related to financial reporting, compliance, or suspected violations of the Code. Employees are also encouraged to report any improper conduct or malpractice within the Group through appropriate channels, fostering a culture of transparency and accountability.

The Code is to provide an avenue for all employees of the Group to raise concerns about any improper conduct within the Group without fear of retaliation and to offer protection for such persons who report such concerns.

II. Board Composition

The Board has four standing committees; the Audit Committee ("AC"), the Remuneration Committee ("RC"), Nomination Committee ("NC") and Risk Management Committee ("RMC"). The Board of Directors delegates certain responsibilities to the Audit Committee in order to enhance business and operational efficiency.

The Board is appropriately balanced in both size and composition, ensuring that the interests of the Company's shareholders are effectively and fairly represented. The Board acknowledges the critical role played by its Non-Executive Directors (NEDs), who contribute objectivity, impartiality, and independent judgment. This balance is essential for maintaining robust checks and balances at the Board level. The Independent NEDs bring a wealth of experience and expertise to the Group, significantly influencing the Board's decision-making process. They are encouraged to actively challenge management and provide valuable input in the development of strategic proposals.

The Board and its NC assessed the independence of all the Independent NEDs based on the criteria prescribed under the Main Listing Requirements in which an Independent Director should be independent and free from any business or other relationship which could interfere with the exercise of independent judgement, or the ability to act in the best interest of the Group.

Diverse Board

The Board is aware of the importance of board diversity and the recommendations of the board gender diversity objectives stated in the Corporate Governance Blueprint 2011. The Board always practices the policy of non-discrimination on the basis of race, religion and gender.

The Board is composed of over 30% women directors, reflecting the Company's commitment to diversity. However, the Board, particularly the Nomination Committee, emphasizes that the focus should be on having the right balance of skills, experience, and cultural backgrounds, rather than merely meeting a specific percentage. This approach ensures that the Board is equipped to perform effectively and make well-informed decisions.

PRINCIPLES A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Board Meetings

The Board had held 5 meetings during the financial year ended 31 December 2024 Details of the attendance of the Directors at the Board Meetings are as follows:

NAME	MEETINGS ATTENDED	MAXIMUM POSSIBLE MEETINGS TO ATTEND
Dato' Loo Pang Kee	5	5
Lim Ted Hing	5	5
Dato' Ooi Sek Min	5	5
Hajah Shakinur Ain Binti Karama	5	5
Datuk Goh Giok Yee	4	5
Chai Chih Kai	5	5

The Board's deliberations of issues discussed and decisions reached were recorded in the minutes of meetings. Minutes of each board meeting are circulated to all Directors for their perusal prior to confirmation of the minutes before the commencement of the next Board meeting.

In the interval between Board meetings, for matters requiring urgent Board decisions, Board approvals were sought via circular resolutions which were attached with sufficient information required for an informed decision.

Directors' Continuing Development

All Directors have attended the Mandatory Accreditation Programme as required by Bursa Malaysia.

The Directors are required to attend talks, seminars, workshops, conferences and other training programmes to update themselves on, inter-alia, areas relevant to the Group's operations; Directors' responsibilities and corporate governance issues, new business development, as well as on changes to statutory requirements and regulatory guidelines.

Details of training attended by Directors for the financial year ended 31 December 2024 are as follows:

Conference/ Seminar/ Workshop

- Understanding Recovering of Islamic Banking Products Seminar organised by Sabah Law Society
- Webinar – Share Buy Back organised by Companies Commission of Malaysia
- Webinar – Transaction with Third Party for Public Listed Companies organised by Companies Commission of Malaysia
- Mandatory Accreditation Programme organised by Institute of Corporate Directors Malaysia
- Real Estate Negotiators Renewal organised by Lembaga Penilai, Pentaksir, Ejen Harta Tanah dan Pengurus Harta
- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) organised by Institute of Corporate Directors Malaysia

PRINCIPLES A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Nomination Committee

In Compliance with the Listing Requirements, a Nomination Committee was established by the Board on 22 November 2002. The Committee comprises two Independent NEDs. The members as at the date of this Annual Report are:

1. Dato' Ooi Sek Min – Chairman
2. Hajah Shakinur Ain Binti Hj Karama – Member

The Nomination Committee (NC) is entrusted with the responsibility of conducting a formal and transparent annual review of the Board's structure, size, and composition. It is also tasked with nominating candidates to fill vacancies and recommending the re-election of Directors who are due for retirement. All Directors undergo the same comprehensive assessment criteria and process to ensure consistency and fairness. Through this Committee, the Board ensures that new members receive a thorough induction and ongoing training to equip them for their roles.

The Committee is supported by the Company Secretary, who ensures that all appointments are made in accordance with the proper procedures and that all required information is gathered from Directors. This ensures the Company's records are up-to-date and that regulatory requirements are met.

In making recommendations and performing its annual review, the NC considers the directors'

(a) mix of skills, knowledge, expertise and experience;
(b) professionalism and integrity; and
(c) in the case of audit committee members, each member's ability to discharge responsibilities and functions as required such as the ability to read, analyse and interpret financial statements.

The full Committee met twice during the financial year. The meeting on 26 February 2024 was to assess the effectiveness of the Board, Board Committees and the contribution of individual director.

Board Evaluation

The Board evaluation carried out by the NC comprises Performance Evaluation – Board Committees, Board and Board Committee Evaluation and Audit Committee Evaluation. The annual evaluation was formally and objectively carried out to determine the effectiveness of the board, the committees and each individual director.

Reappointment and Re-election of Directors

In accordance with Company's Constitution, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting after their appointment. The Constitution also provides that at least one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting and that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Pursuant to Practice 5.3 of the MCCG 2021, any independent director who has served in that capacity for more than nine years and is to be retained by the Board in that capacity is subject to shareholders' approval through a two-tier voting process at every Annual General Meeting.

On 22 April 2024, the NC met to consider and recommend the:-

(a) proposed re-election of Mr Lim Ted Hing retiring as a director pursuant to Clause 100 of the Company's Constitution, at the conclusion of the 24th Annual General Meeting;
(b) proposed re-election of Datuk Goh Giok Yee, retiring as a director pursuant to Clause 97 of the Company's Constitution, at the conclusion of the 24th Annual General Meeting; and
(c) proposed re-election of Mr Chai Chih Kai, retiring as a director pursuant to Clause 97 of the Company's Constitution, at the conclusion of the 24th Annual General Meeting.

PRINCIPLES A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration Framework

The Board has in place a remuneration framework for the Board which is clear and transparent, designed to provide fair and competitive remuneration package for the Board of the Company to ensure the same remain competitive, appropriate, and in alignment with the prevalent market practices.

Remuneration Committee

The Remuneration Committee is in place since 2002 and assumes the roles of reviewing and recommending to the Board the remuneration framework for retaining and rewarding the Board with due regard to their skills, experience, complexities and the performance of the Group as a whole.

The details of the remuneration for the Directors of the Company and subsidiaries during the financial year ended 31 December 2024 are as follows:

	Company				Subsidiaries	Group
	Fee RM'000	Salaries, Bonus & Others* RM'000	Benefits-in-kind RM'000	Total RM'000	Salaries, Bonus & Others RM'000	Total RM'000
Executive Directors						
Dato' Loo Pang Kee	11	1,494	14	1,519	1,830	3,349
Chai Chih Kai	-	-	-	-	577	577
Total	**11**	**1,494**	**14**	**1,519**	**2,407**	**3,926**
Non-Executive Directors						
Lim Ted Hing	11	162	-	173	-	173
Dato' Ooi Sek Min	11	85	-	96	-	96
Hajah Shakinur Ain Binti Hj Karama	7	61	-	68	-	69
Datuk Goh Giok Yee	3	61	-	64	-	64
Total	**32**	**369**	**-**	**401**	**-**	**401**

Notes:
*	The salaries, bonus & others are inclusive of allowance and employer's provident fund contributions.

The number of Directors whose remuneration during the financial year ended 31 December 2024 falls within the following bands is as follows:

	NUMBER OF DIRECTORS	
Directors' Remuneration	Executive	Non-Executive
RM		
50,001 to 100,000	-	3
150,001 to 200,000	-	1
550,001 to 600,000	1	
3,900,001 to 3,950,000	1	

PRINCIPLES B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Risk Management and Internal Control Framework

The Board acknowledges its responsibility for maintaining a robust system of internal controls and risk management. To support this, the Board is backed by the Risk Management Committee, which plays a pivotal role in determining the Group's risk tolerance. The Committee actively identifies, assesses, and monitors key business risks to ensure the delivery of long-term value to shareholders, while safeguarding the interests of minority shareholders and other stakeholders. Further details on the Group's Risk Management and Internal Control Framework can be found in the Statement on Internal Control and Risk Management section of this Annual Report.

Audit Committee

The Audit Committee was formed by the Board since 2002 and currently all members are Independent NEDs. The AC is currently chaired by an Independent NED, Dato' Ooi Sek Min. The AC members are financially literate, possess the appropriate level of expertise and experience and have a strong understanding of the Group's business in order to drive the success of the Group.

The Board has a policy to require key audit partner to observe a cooling-off period at least two (2) years before being appointed as a member of the AC and is formalised into the Terms of Reference of AC. It is an existing practice for AC to assess the suitability, objectivity and independence of the external auditor annually.

Internal audit

The Group's internal audit function is managed by an in-house Internal Audit ("IA") Department, which operates independently and reports directly to the AC on its activities, based on the approved annual Internal Audit Plan. The internal audit function is independent of management, with unrestricted access to all entities, records, and personnel within the Group. Internal audit personnel are free from any relationships or conflicts of interest that could compromise their objectivity and independence. Further details of the internal audit function are outlined in the Statement on Internal Control and Risk Management section of this Annual Report.

The Board fulfills its responsibility for overseeing the operational effectiveness of the internal control and risk management systems throughout the financial year and up to the approval date of the Annual Report..

PRINCIPLES C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board believes in clear and regular communication with its stakeholders and institutional investors. Besides the various announcements made during the financial year and release of financial results on a quarterly basis, the Board anticipates through its Twenty-First Annual Report to provide stakeholders with an overview of the Group's performance and its business activities.

The Group has also established corporate website www.npc.com.my for stakeholders and the public to access corporate information, financial statements and current corporate developments.

II. Conduct of Annual General Meetings ("AGM")

The Board recognises that the AGM is the primary platform for dialogue with shareholders. As such, the Board is committed to providing opportunities for shareholders to raise questions related to the Group's business activities during the AGM.

The notice of the AGM is distributed to shareholders at least 28 days in advance of the meeting. Any special business included in the notice will be accompanied by a detailed explanatory statement to ensure shareholders have a clear understanding of the proposed resolutions, enabling informed decision-making.

Shareholders are encouraged to submit questions and seek clarifications on the AGM's agenda by posting their inquiries through the Contact section on the corporate website prior to the meeting. These questions will be read aloud and addressed during the AGM. All Directors of the Company are present at the AGM, providing shareholders with the opportunity to engage directly with each Director.

The Company remains committed to exploring and leveraging technology to further enhance shareholder engagement, making it easier for shareholders to participate and interact during AGMs.

COMPLIANCE STATEMENT

The Group had substantially complied with the relevant Principles and Practices of the MCCG 2021 as at date of this statement except for those which have been stated otherwise with justifications and mitigation steps taken to address the non-compliance.

The CG Overview Statement was approved by the Board of Directors dated 21 April 2025.

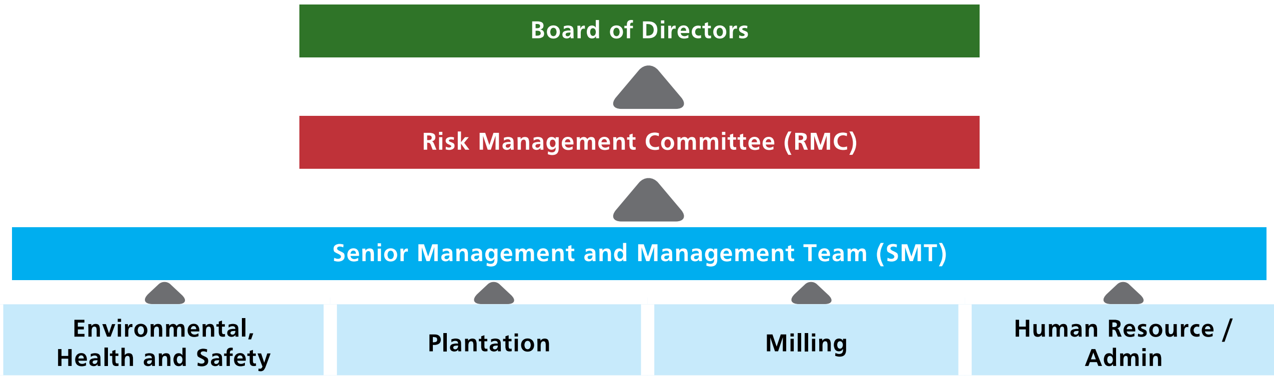
SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

Our New Sustainability Governance

During the reporting period, we reviewed and strengthened the Sustainability Team, to build our value creation journey and embed the sustainability development agenda in our business strategy and activities as outlined in our Sustainability Policy, spearheaded by our Group Managing Director.

The Board maintains a robust internal control and risk management system, with a Risk Management Committee determining risk tolerance and monitoring key business risks, including sustainability and climate-related risks, to deliver long-term shareholder value without compromising minority shareholders' interests.



The Board and SMT oversee the sustainability strategy, policies, and risk mitigation plans, supported by the Management Team. Key sustainability matters are embedded in the leadership team's KPIs, reflected our commitments as outlined in our policies, emphasises on sustainability certification for business success.

International Sustainability and Carbon Certification

NPC aims to achieve sustainable growth and income generation through ISCC-compliant operations. In 2024, Berkat mill became a signatory of International Sustainability and Carbon Certification (ISCC) that demonstrate our commitment to sustainability and responsible business practices and to meet the demand for sustainable biofuel in Europe. We follow ISCC standards and meet ESG criteria to respect the rights of local communities.

Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO) Certification Standards

In January 2019, the Group was granted the first MSPO Certification for both the General Principles of Palm Oil Mill Management and Plantation Management Systems. Subsequently, in December 2019, Berkat Mill received certification of conformity to the MSPO Supply Chain standards. Further advancing its commitment, in August 2020, the Group's Indonesian Palm Oil Mill and one of its plantations were accredited for conformity to the ISPO Certification. New suppliers were also assessed for certification.

Climate-Related Financial Disclosures

In 2022, Bursa has announced the alignment with TCFD to be applied by all public listed issuers by year end 2024. The TCFD task force has officially been disbanded and the International Financial Reporting Standards (IFRS) will take over, with some changes to GHG reporting. The four core recommendations of TCFD reporting (that is, governance, strategy, risk management, and metrics & targets) have been incorporated into IFRS S1 and IFRS S2.

TCFD/IFRS S2 Framework			
Governance	**Strategy**	**Risk Management**	**Metrics and Targets**
NPC's Board of Directors oversees climate-related initiatives, with the Risk Management Committee (RMC) and Senior Management and Management Team (SMT) supporting these efforts. The Sustainability Team, spearheaded by the Group Managing Director, manages these risks and opportunities, and formulates NPC's sustainability and climate-related strategy, with support from RMC and SMT.	NPC conducted focus group discussions with internal stakeholders to identify local climate risks. A qualitative scenario analysis is to be conducted by using the Representative Concentration Pathway and IPCC scenarios.	Our Enterprise Risk Management framework strategically assesses and manages identified risks, including climate-related, involving identification, assessment, strategic decision-making, prioritization, response, and control measures of physical and transition risk.	NPC monitors climate-related performance using Scope 1, Scope 2, and limited Scope 3 emissions, energy consumption, waste generation, and water usage metrics.

Stakeholder Engagement

NPC's stakeholder ecosystem is complex and interconnected, with their interrelationships significantly impacted by system reforms. The report outlines the links between these stakeholders and the processes used to adapt, innovate, and refine the system to meet the relevant laws and requirement in its value chain.

We strive to maintain constructive communication channels with all of our key stakeholder groups. As a result, regular engagements are held through both formal and informal channels. These interactions enable us to identify relevant material issues and provide insights into emerging opportunities and risks, as well as respond more effectively to their needs.

NPC Stakeholders Engagement			
Key Stakeholders	**Method of Engagement**	**Frequency (as needed/ ongoing/ quarterly/ annually)**	**Key Areas / Expectations / Concerns**
Investors and Shareholders	o Pro-active communication through press release, announcements, emails and phone calls o Investor briefings/one-on-one/group meetings (virtual) o General meeting o Annual reports	o As needed o As needed/ Quarterly o Annually o Annually	o Group's performance and productivity insights and peer comparison o Business development and impacts o Corporate governance and compliance matters
Employees	o Operational management meetings o Briefing sessions/ Morning Muster o Annual appraisals o Employee Engagement	o Monthly o Ongoing daily o Annually o On going	o Operational performance and productivity o Employee engagement o Safety and health issues and practices o Welfare and human resources matter o Promoting a healthy lifestyle
Smallholders and local communities	o MSPO and ISPO meetings and briefing o Corporate social responsibility events	o Ongoing o As needed	o MSPO certification program o Pricing mechanism and crop quality o Complaints and grievances
Government and regulators	o Dialogues held through forums and virtual meetings o Site visits and inspections o Virtual and webinar meetings o Survey from/ reporting to government agencies	o As needed o Ongoing o As needed o Monthly	o Compliance o Latest news or updates in regulations or standards o Foreign workers legalisation procedures
Customers	o Telecommunication and emails o Courtesy visit o Site visits o Annual appreciation dinner	o Ongoing o As needed o As needed o Yearly	o Supply chain and traceability o Sustainability o Pricing and delivery schedule o Product quality
Suppliers & contractors	o Meet-up sessions, emails and telecommunication o Product demo	o Ongoing o As needed	o Sustainability o Product quality o Company's policies and governance o Pricing and delivery arrangement

Material Matters

Materiality is crucial for our sustainability journey, identifying issues and risks for long-term value creation. We conduct on going annual assessments to meet stakeholder demands, mitigate risks, and capitalize on opportunities.

In 2024, we embedded and aligned our material matters with a common set of prescribed sustainability matters and indicators, 11 elements that are deemed material for all listed issuers as well as five specific-sectors and indicators that related to our industry.

	NPC's Materiality Journey			
	2021	2022	2023	2024
Sustainability material matters process	We communicate and respond to our key stakeholders with the areas of concern in accordance with Malaysian Sustainable Palm Oil ("MSPO"), including "zero burning policy"	We ensured our Employees' Wages & Welfare reflected the compliant of the minimum wages as per Wages Order 2022	We conducted a desktop validation against industry peers and as per Bursa Malaysia Sustainability Reporting Guide. Embedded and aligned the current material matters with the UN SDGs, Bursa's Guide, ISCC and MSPO.	Committed to continuing and complying current material matters with the UN SDGs, Bursa's Guide, ISCC, MSPO, ISPO Standards and the Minimum Wage Order 2024.
Identified material matters that exposed to the risks to implement short-mid- long-term strategy	o Sustainability Certification o Zero Burning during new development and replanting o Water and Energy Management o Employees' Wages & Welfare o Healthcare and Children and o Community & Education		The material matters were ranked aligned with the business operations activities and identified risks and opportunities.	

Sustainability Framework

Following the comprehensive assessment in 2024, the material matters were grouped into five themes with corresponding ambitions under MSPO and ISPO standards. We support the Standards which covers the oil palm industry's supply chain, including smallholders, plantations, mills, dealers, and processing facilities, ensuring sustainability. Global recognition through certification demonstrates sustainable palm oil production, meeting global demand for sustainability products. This is reflected in our commitment through the successful attainment of accreditation under ISCC and compliance with the Renewable Energy Directive (RED II), underscoring our alignment with globally recognised sustainability standards.

In the MSPO and ISPO standards, the palm oil actors along the supply chain are required to adhere to the stipulated principles which in line with the five pillars of the sustainable development goals – People, Planet, Peace, Prosperity and Partnership.

NPC Sustainability Framework				
Vision			Mission	
Sustainability Pillars				
People	**Planet**	**Peace**	**Prosperity**	**Partnership**
Our Sustainability Principles				
Protecting the rights of employees and stakeholders	Protecting the environment and reducing environmental impact	Best practices to ensure the continuity of business	Foster peacefully, just and inclusive society	Implement agendas through a solid global partnerships
NPC Sustainability Material Matters				
• Health and Safety • Labour practices and Standards • Diversity	• Biodiversity • Emissions Management - Energy Management • Water and Waste Management • Effluents • Materials	• Anti-Corruption • Cybersecurity & Data Protection • Supply Chain Management	• Customer Engagement • Community Investment	Our Stakeholder Engagement to address sustainability material matters across the Group

ISCC

MPOCC

MSPO

Risk Management

Risks/Key Risks	Impact to our business
Economic Risk / Price volatility for CPOs	NPC's profitability is at risk due to uncertainty in Crude Palm Oil trading, including global demand fluctuations, supply chain disruptions, and environmental concerns, potentially leading to a decline in revenue and shareholder value.
Linked to Our Sustainability Principles	
Climate Risk / Adverse Extreme Weather	Malaysia's palm oil industry is under scrutiny due to extreme weather events, deforestation, biodiversity loss, and community conflict. In 2023, Malaysia threatened EU ban on palm oil exports. Challenges include crop recovery, access to estates, and sustainability certifications. For Indonesian plantations, the annual dry season, which lasts from April to September, presents serious fire risks.
Linked to Our Sustainability Principles	
Labour Risks / Labour shortages	NPC's plantation operations, which rely heavily on migrant workers, have been severely impacted by labour shortages since the COVID-19 pandemic, leading to lower FFB yields, sales, and profitability. Despite the global pandemic's initial ease, NPC is experiencing a gradual recovery from these labour shortages for its replanting programme.
Linked to Our Sustainability Principles	
Legal Risks / *Changing of regulatory*	The Group faces regulatory changes in markets, increased scrutiny, and higher compliance costs. The European Union's deforestation-free product legislation and prolong political issues in countries could impact NPC's strategy, operations, and financials. Rising nationalistic sentiments could also pose a risk.
Linked to Our Sustainability Principles	
Market Risk/ *Rising commodity prices*	The production of Fresh Fruit Bunches (FFB) faces challenges due to rising energy and fertiliser prices. The Russia-Ukraine conflict in 2022 has tightened the global supply of key mineral-based macronutrients, increasing fertiliser prices. Additionally, the conflict disrupted the global supply chain of natural gas, causing price spikes and directly impacting FFB production costs.
Linked to Our Sustainability Principles	
Liquidation Risk / *Cashflow Management*	The inability to liquidate assets may impede NPC's cashflow and result in reputational risks. Non-ESG-compliant businesses having difficulty getting loans in the future as Bank Negara has started the ESG-centric lending practices.
Linked to Our Sustainability Principles	
Supply Chain Risk / *Managing Sustainability in Supply Chain*	Customers of palm oil have requirements that we must meet. Danger of failing to adhere to global supply chain standards, such as International Sustainability and Carbon Certification (ISCC) or Roundtable on Sustainable Practices (RSPO). Danger of the NPC's supply chain breaking the NDPE guidelines
Linked to Our Sustainability Principles	

MANAGEMENT APPROACH FOR MATERIAL MATTERS

Protecting the rights of employees and stakeholders

Health and Safety

NPC has a Group Health and Safety Policy aimed at ensuring a safe and healthy workplace and working system. The Policy outlines the following, which in line with SDG 8 – Decent Work and Economic Growth:

- The company adheres to local safety and health laws, such as the Occupational Safety and Health Act (Amendment) 2022 and Law No. 1 of 1970 on Occupational Safety.
- Management and employees collaborate to achieve these objectives through discussions, awareness-raising activities, and cooperation.
- Employees receive briefings, instructions, training, and supervision on safe duties.
- The Policy is extended to its visitors, suppliers, wholesalers, and contractors who are also ensured to understand their responsibilities and comply with safety and health regulations that have been established while in the Region premises.

Healthy workplace and working system

Our employees and workers are provided with free PPE and training on its use, conduct regular health and safety training based on their job responsibilities, and implement corrective action plans in response to any incidents. NPC has relevant systems in place to identify hazards, assess risks, and investigate incidents across all operations, in line with the applicable national standards of the countries where we operate:

Elimination	Substitution	Engineering controls	Administrative controls	Personal Protective equipment (PPE)

All operations have health and safety committees in place with worker and manager representatives who are consulted on critical issues.

Health and safety trainings and programmes

NPC provides health and safety training to employees and contractors, including knowledge-based and skills-based programs. These programs cover emergency response, hazard management, and health awareness and the modules are regularly reviews to ensure relevance.

During the year, we continued to focus on improving our ESH training programmes. These training modules are used to educate employees on the various hazards and risks, provide remedial measures and take actions such as reporting near misses. We rolled out several training sessions on various aspects, such as chemical safety, scheduled waste management and Emergency Response Team (ERT).

	2022	2023	2024
Number of employees and contractors trained on health and safety standards	1,686	1,690	1,523

Work-related injuries

In 2024, NPC achieving over 1-million man-hours 1,206,536 hrs) without LTI.

Labour practices and Standards

NPC is committed to eradicating child labour in its workforce, including employees, contractors, volunteers, and any other form that constitutes labour according to local laws including Labour Ordinance 1915, Employment Act (Amendment) 2022 and the fundamental of human rights within its Group and subsidiaries.

In supporting SDG 10 – Reduced Inequalities, we established Social and Human Rights Policy that outlines our commitments to ensure a fair and beneficial working environment, respects laws like Sabah Labour Ordinance 1915, prevents exploitation like child labor, unethical recruitment, unsafe conditions, and upholds labour rights principles such as freedom of expression and equal opportunities. In 2024, our total of employees in Malaysia and Indonesia is 300 with more than 2,500 of general workers.

Employees' Benefit

The Group adheres to the Minimum Wages Order 2024 (PU(A)276/2024) was gazetted on 4 December 2024 and values fair treatment and recognition for its employees. Recognition includes work performance, behaviour, creativity, and involvement in activities. Rewards include basic salary, cash and in-kind benefits such as medical benefit, short-term variable bonuses, and promotions.

Employees' Wellbeing

The Group focuses on providing a comfortable work and living environment for its employees and their dependents, offering a range of amenities including housing, water and electricity supply, healthcare, places of worship, childcare facilities, and recreational amenities.

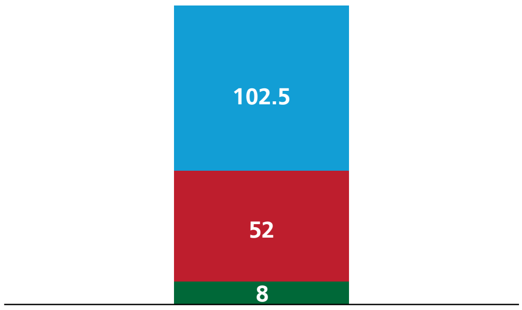
We assessed our labour and working conditions at worker quarters in all of our divisions in Sandakan and Sungai Kenali, Banggi. To continuously improve living conditions, we started building more than 10 new quarters in Sungai Kenali, Banggi since early of 2023. In Sandakan, two blocks for new quarters as well as one office block and store are also under development. The new quarters, office and store are targeted to be completed by phases in 2025.

Training and Upskill Programmes

We provide trainings and upskill programmes to our employees at all levels.

Average Training Hours Per Employee in 2024

59.09 hours



Average Training Hours by Employee Category in 2024

New hires and turnover rates

We employ a planned hiring approach, assessing candidates based on job requirements and growth strategy, allocating resources efficiently, and clearly defining recruitment objectives to support targeted hiring while minimising downtime. In 2024, new hire rates are recorded at 42% whereas for the turnover rate is 40.5%

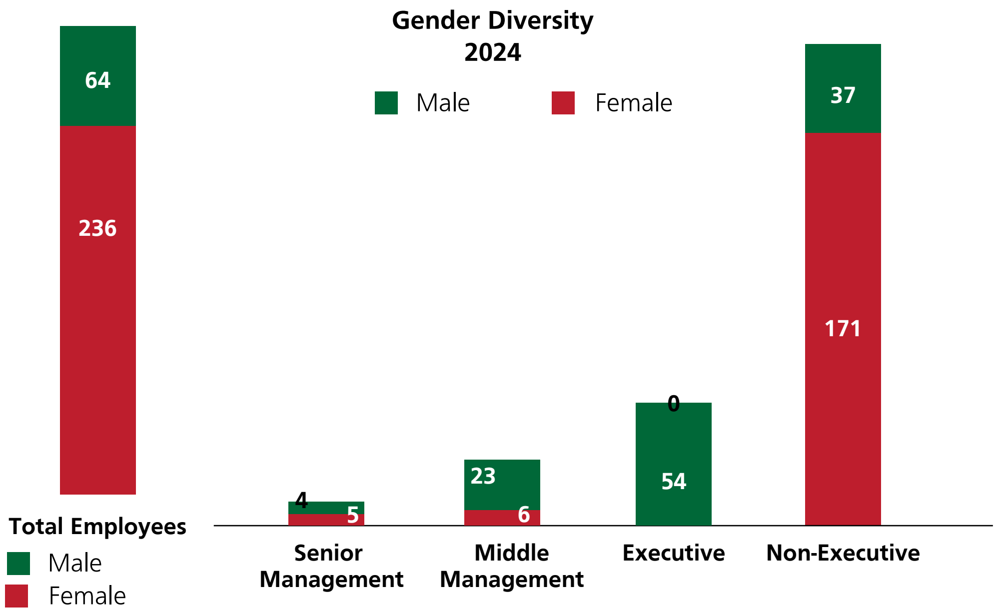
Diversity

Our diverse workforce

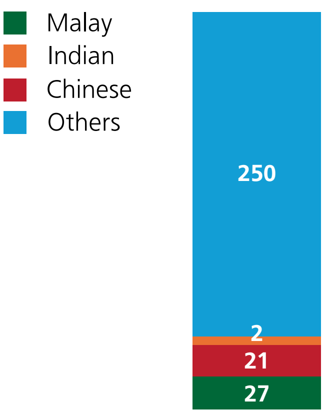
As outlined in our Equal Opportunity Policy, we ensure fair treatment of all employees, regardless of race, colour, religion, origin, gender, marital status, political views, or nationality. We prevent unlawful discrimination, victimization, or harassment in the workplace. We offer relevant training and development programs to enhance employees' skills and knowledge, and handle complaints and grievances with proper procedures.

Intellectual of Our Diverse Workforce

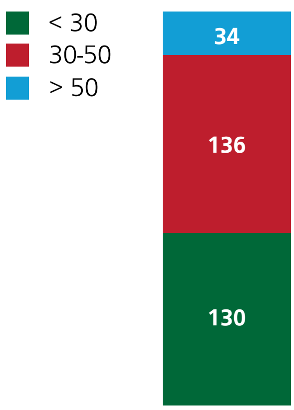
Employees serve as a company's intellectual capital. Employees have skills and talents that are difficult to integrate into machines. In addition, humans own ideas and innovations that machines do not. Our composition of our employees is very important for productivity.



Emplyees by Ethnicity 2024



Emplyees by Ethnicity 2024



Women Representative at Senior Management Level

We ensure our management level employees for periodic upgrading skills and seminars, and we have a succession plan in place to give opportunity to our female employees to be in our leadership teams.

78%

22%

Sexual harassment campaign

In line with our Sexual Harassment & Violence Policy, NPC strongly opposes all forms of workplace harassment, including sexual harassment. Section 81H of the Employment Act (Amendment 2022) mandates employers to display a notice about sexual harassment in the workplace. We promote our campaign with prominently displayed posters.

In 2024, we conducted sexual harassment training and awareness, attended by 64 employees. Our campaign aimed to educate our people on how to recognise it, as well as the proper channels for reporting and responding to it.

FOSTER PEACEFULLY, JUST AND INCLUSIVE SOCIETY

In order to create value for everyone, we are dedicated to recognising the constantly changing needs and expectations of our stakeholders. Our business model interconnected with our capitals, risks and mitigation actions as well as monitoring the progress of our short-mid-long-term strategies.

Our value creation in 2024

Investment to our employees	Government Tax	Education to Local Community	Climate-related strategy
RM 66,776	**RM 16.5 million**	**RM 54,708**	**RM8.3 million**

NPC has continued to reward its shareholders for their support. Our dividend distribution is based on profitability and cash flow position for the next 12 months, along with a solvency statement declaration in accordance with Section 113 of the Companies Act 2016. Following the pandemic, the board shifted its focus to our people and human capital. This led to no dividend being proposed to the group for 2024.

In 2024, we recorded an decrease of our investment in employees by 10% and enhanced support for local community education by 62%. We invested RM8.3 million in our natural capital to keep up with the current landscape and changes in environmental regulations as well as to keep our environment clean, healthy and sustainable environment for all.

By taking immediate action to address sustainability and climate-related issues in our long-term strategies, we be capable of generate long-term value for our shareholders and stakeholders.

Customer Satisfaction

As part of our preparation for a shift in customer preference towards ESG-centricity, we work closely with our customers and participating their supply management programme, including acknowledging, and committing to comply with their no deforestation, no peat, and no exploitation pledges as well as an engagement session on traceability to plantation.

Our extensive engagement with customers conducted in a various platform through physical and online meetings to discuss product quality, pricing, delivery lead time, and quantity.

Community Investment

In 2024, NPC invested RM54,708, for about 54 students from its local community investment programme which benefited by its local community, in line with the UN SDG 3 – Health & Wellbeing and UN SDG 4 – Quality Education.

Humana School

To enhance education, the Group collaborated with the Humana Child Aid Society Sabah (UNHCR) to build a school in Division 1 of their plantation in Sabah. This 10-year collaboration enables the children of plantation workers who live far from local schools to receive education.

Our activities for quality education to our local community in 2024

Monthly hygene programme	Quarterly visits to ensure the smooth of learning process	Review reports and propose recommendation for further improvement

Local Community & Wellbeing

Our activities to enhance the quality of life to our local community in 2024

Blood donation campaign

NPC co-organise blood donation campaigns with the support of Hospital Duchess of Kent and KKM from Beluran in raising blood reserves for the hospital's blood bank. Our employees participated in the blood donation campaign.
12 June 2024 carried by BSM

14 August 2024 carried by Estate Division

Celebrating Labour Day for All employee

NPC co-organise
We conducted the sport day activities to increase or to improve healthier lifestyle and to build a leadership and teamwork skill among employees and their families

23 May 2024 until 03 June 2024

PROTECTING THE ENVIRONMENT AND REDUCING ENVIRONMENTAL IMPACT

The Board oversight of climate-related risks and opportunities, management's role in assessing and managing these risks, the organization's identified risks and opportunities over the short, medium, and long term, their impact on businesses, strategy, and financial planning, and the resilience of the strategy in different climate-related scenarios.

Our climate-related activities are in line with Malaysia aspiration to achieve net-zero GHG emissions by 2050 (Paris Agreement) and Malaysian Borneo committed to gaining Sustainability Certification for 100% of the state's Palm Oil by 2025.

NPC is committed to sustainable growth and income generation through ISCC-compliant operations, with Berkat mill signing the certification in 2023. We also promote sustainable palm oil management through Berkat mills and plantations in Sabah, with MSPO-certification in 2019 and Indonesia, with Nala mill and plantation granted ISPO certification in 2020. This certification scheme ensures compliance with environmental, worker, and local population standards for all producers.

Biodiversity

A greater effort is being made to make the palm oil industry more sustainable in response to criticism of the sector made by human rights and environmental groups, as outlined in our MSPO Policy and Environmental Policy.

The Group prioritises compliance with ISCC, MSPO and ISPO standards for sustainable palm oil production, resulting in positive social, environmental, and economic impacts while minimising negative effects on people and the environment.

In 2024, we have recorded slightly decrease of our MSPO certification of 58.21% of our mills in its supply base from 60.17% in 2023 while ISPO certification has reached 100% of its supply base. In line with SDG 13 – Climate Change and SDG 15 – Life on Land, we will continue to ensure we comply with sustainable practices through regular monitoring, evaluation and performance improvement.

	2022	2023	2024
Percentage of certified palm oil as a percentage of total palm oil produced, used, or processed, relative to Roundtable on Sustainable Palm Oil ("RSPO") or Malaysian Sustainable Palm Oil ("MSPO") or Indonesian Sustainable Palm Oil (ISPO) recommendations *Target: 100% of the mills to be certified by 2025*	47.26%	60.17%	58.21%

New Development and Replanting

The Group adheres to a zero-burning standard in all of its land clearing, development, and redevelopment activities. All new planting and replanting projects undergo independent assessments, including Social Environmental Impact Assessments ("SEIA"), Carbon Stock Assessment, Peat Mapping, HCV and HCS integrated assessments, soil suitability, and topographic surveys. The HCV-HCS assessments were conducted by accredited assessors from the HCV Resource Network's Assessor Licencing Scheme ("ALS") to ensure quality assurance.

In 2023, we have conducted the Environmental Impact Assessment (EIA) for the proposed of replanting oil palm covering 350 hectares within Pertama Alam, Sg. Kenali and Deltafort at Kinabatangan (Division 6), Districts of Kinabatangan, Sabah. There were approximately 85% of the project site has been replanted within Pertama Alam and Sg. Kenali. Our replanting programme for Deltafort area at Division 6 will be completed within year 2024/2025. We carried out a monitoring programme in accordance with the Environmental Compliance Report (ECR) and submitted it to the Environment Protection Department (EPD) Sabah every six months. during the site preparation and replanting stages, and once a year during operation and maintenance. The assessment, mitigation measures, and monitoring were performed out to our identified potential environmental impacts, which included biomass management, general waste management, water pollution, pest infestation, fire hazards, and potential abandonment.

Emissions Management

NPC has implemented operational guidelines to minimise and avoid greenhouse emissions, based on industry developments and research, to address the climate crisis effectively. In 2024, our diesel consumption increased by 19% to 483.074 MT from 403.658 MT, due to drop in efficiency of Elliott turbine and resulted high consumption diesel for genset to maintain the stability of power for processing. The group have initiated the procurement and construction of biogas plant to reduce reliance to diesel genset generator.

In 2024, our electricity consumption for Malaysia and Indonesia recorded 150.192 Megawatt due to the use of renewable energy sources, such as steam turbines, to generate power to reduce our reliance on fossil fuels. These renewable sources generate electricity without emitting greenhouse gases, helping to combat climate change and reduce air pollution.

Energy Performance

	2022	2023	2024
Scope 1	**Megawatt**	**Megawatt**	**Megawatt**
Machineries at project sites (mill)- diesel	287.655	403.658	483.074
Registered vehicles usage (mill) - diesel	123.334	89.904	215.047
Scope 2			
Energy consumption (kWh)	133.895	128.923	150.192

Biogas

NPC invested RM8.3 million in new biogas plants at mills to tackle NPC's largest emission source within our upstream operations with anaerobic lagoon system (bioenergy) which commenced its project in 2022 at Berkat Setia Palm Oil Mill is located in Beluran, Sabah, Malaysia. This bioenergy will capture fugitive methane emissions from palm oil mill effluent, which can be converted into carbon dioxide or processed as biogas to generate energy, such as electricity, bio-compressed natural gas, or captive power.

Bioenergy pre-treatment and bio-digester system

Pre-treatment involves screening, sedimentation, cooling, and oil removal in the POME pre-treatment system. The bioenergy will use the existing cooling pond for this process, which has cooled raw POME and settled large solids. Pre-treated liquids are then moved to the bio-digester, a covered anaerobic lagoon system, which produces biogas and by-product residue. The digester should be air and watertight, constructed of various materials and shapes, and the size depends on the flow of POME and the HRT required for optimal digestion.

The emission measurement at Berkat's Boiler-Chimney No.3 was conducted in accordance with Malaysian Standards MS 1596:2003. The isokinetic measurement is within the acceptable range of 90%-110%, indicating no need for further repeating measurements.

Retrofit Office Buildings

NPC's energy management plan for energy saving initiatives continues with the replacement of the traditional lighting with energy-saving LED lights and install new inverter (air conditioners) at Headquarter in Sandakan, MILE 18, DS16 and DS18.

Water and Waste Management

Water Management

Water is crucial for our operations, but we recognize its finite global resource. We aim to reduce water usage by improving efficiency and maintaining surface and groundwater quality. Our upstream operations monitor water usage, and in 2024, we consumed 974.63 m3 of water across all operations both in Malaysia and Indonesia.

	2022	2023	2024
Total Volume of Water Used	**Megaliters**	**Megaliters**	**Megaliters**
Malaysia and Indonesia (Mill)	418.22	455.15	974.63

NPC's interest in minimising the amount of waste and by-products produced by its operations. To ensure its license to operate and protect the environment, our waste management activities cover proper collection, transportation, recycling, and disposal. Some of the initiatives waste management approaches, such as treating biomass from palm oil milling for biogas.

Between 2021 to 2024, our total waste diverted from disposal within the range from 4% to 15% from total waste generated for both Malaysian and Indonesia mill.

In 2024, total waste generated from our mills are 243,142.89 metric tonnes in Malaysia and Indonesia. In line with our commitment to reusing and recycling as much as possible, resulting in 4% of the total generated waste diverted to the landfill in both Malaysia and Indonesia.

Waste Generated

	2022	2023	2024
Total waste generated	**Metric Tonnes**	**Metric Tonnes**	**Metric Tonnes**
Malaysia and Indonesia (Mill)	155,206.79	201,837.71	243,142.89
Total waste diverted from disposal			
Malaysia and Indonesia	22,808.32	24,669.65	10,036.99

Materials

Raw materials were secured affordably, and supplies were maintained without disruptions to operations. We monitor crop harvesting and mill efficiency on our estates, ensuring that planting material is appropriate for the specific planting sites, reducing pest and disease damage, and implementing good agricultural practices. We aim to reduce the use of chemicals, such as pesticides and chemical fertilisers. Our chemical use is guided by a management plan that puts appropriate SOPs in place to protect workers, communities, and the environment from hazardous chemical exposure.

Our materials recorded in 2024

	2022	2023	2024
Total Weight	**Tonnes**	**Tonnes**	**Tonnes**
Malaysia and Indonesia	102,747.67	126,563.00	146,900.79

EFFLUENTS

Our top priority is giving our employees access to clean, safe drinking water. We periodically test water samples, and results from samples collected from river systems have not indicated a discernible decline in water quality.

NPC is responsible for protecting water sources near its operations, particularly in the treatment of palm oil mill effluent by using anaerobic and aerobic pond system. POME is organic and biologically treated through anaerobic digestion and NPC's management systems ensure all mills managing waste and comply with national environmental standards. We continuously monitor the quality of discharged wastewater and wastewater treatment performance, ensuring biological oxygen demand (BOD) remains below regulatory thresholds.

We also ensure that the BOD remains below regulatory limits. We have set effluent intensity targets through our new bioenergy project, which aims to reduce BOD levels by 80% compared to the existing conventional ponding system, which can only achieve 26% reduction.

Best practices to ensure the continuity of business

Anti-Corruption

NPC maintains high business ethics and compliance standards throughout the Group as a reflection of our company's vision, missions, and core value. This is critical for us to protect the interests of both the business and our stakeholders while also building and reinforcing their trust in us.

100% or all new employees required to complete an annual integrity pledge to indicate compliance upon joining the organisation.

As of 31 December 2024, we recorded zero incidents of corruption across NPC business operations.

Board of Directors

The Board follows the Code of Conduct for Directors, promoting ethical conduct, transparency, integrity, accountability, and social responsibility. We act in the best interest of the Group, fulfilling their fiduciary obligations and acting honestly, fairly, ethically, and with integrity.

The Board conducts themselves professionally, courteously, and respectfully without taking improper advantage of their position. They use their prudent judgement to avoid conflicts of interest and inform the Board of any existing or potential conflicts. They do not exploit opportunities discovered through the use of corporate property, information, or position for personal gain unless the Group declines to pursue such opportunities for its business interest. The Board also works to enhance and maintain the Group's reputation and contribute to its growth and stability.

Employees

The Employee Code of Conduct (CoC) and the Employee Conduct Code (ECoC) are guidelines for all members of the Board, management personnel, and employees. They cover areas like maintaining the company's reputation, handling legal proceedings, confidentiality, observing policies, prohibiting insider trading, using company property for personal use, and avoiding financial gifts or favors. The CoC and ECoC are comprehensive but not exhaustive, and the Group expects employees to exercise sound judgment in decision-making to uphold the highest ethical standards. Both codes are reviewed periodically, and complaints against employees or the Board are taken seriously, with appropriate disciplinary penalties.

Anti-Corruption & Anti-Bribery Policy

The Group's Anti-Corruption & Anti-Bribery (ACAB) Policy outlines its commitment to a corruption-free business environment, regularly reviewed to align with the Malaysian Anti-Corruption Commission's (MACC) Act 2009. Third parties and subsidiaries' companies are also subject to ethical conduct and anti-bribery guidelines as outlined within the CoC and ECoC. We rolled out our anti-corruption and anti-bribery programme to our employees prior to the risk assessment of anti-corruption and anti-bribery at our business operations.

Whistleblowing Policy

NPC launched its Whistleblowing Policy in 2018 to address violations of CoC, ECoC, ACAB Policy, and misconduct events. It encourages stakeholders to report crimes against persons or property to local authorities, with whistleblowers' identities kept confidential unless law enforcement investigates. Reporting procedures involve the whistleblower's supervisor or, if uncomfortable, the next level of management at the site. In 2024, we have conducted the whistleblowing awareness programme, attended by 1313 employees.

Stakeholders are encouraged to report such incidents immediately without fear of retaliation. Improper conduct can be made on the following channel:

Suggestion box, internal and external online communications platforms, direct communication or email at info@npc.com.my

Corruption-related training

All new joiners undergo an induction programme where they are required to familiarise themselves with the Group's CoC, ECoC, ACAB Policy, and other accompanying policies and procedures.

100% or all new employees required to complete an annual integrity pledge to indicate compliance upon joining the organisation. In 2024, 101 of our employees attended briefing on company rules and work ethics.

Corruption incidents

As outlined in the ABAC Policy, any suspicion or observation of corruption or bribery must be reported immediately to the designated compliance officer or through the Company's whistleblowing channels to their supervisor, or if uncomfortable, to the next level of management at the site.

As of 31 December 2024, we recorded zero incidents of corruption across NPC business operations.

Cybersecurity & Data Protection

In today's data-driven world, protecting personal data is crucial. All of our employees are required to adhere with the specific Personal Data Protection Act, as stated in our employment contracts. In 2024, NPC received zero complaints that concerning in customer privacy or data loss.

Supply Chain Management

Promoting sustainable ethical business practices
In July 2018, NPC established the MSPO Policy for businesses operating oil palm plantations, operations, and the FFB collected center. The policy outlines commitments to the 7 Principles of MSPO, which regrouped into five principles (revised in 2022) is embedded in group-wide policies covering suppliers, contractors, and subcontractors.

The group-wide policies promoting sustainable ethical business practices, which include a corruption-free business environment, environmental minimisation, and safeguarding employees' and workers' rights. The policies are listed below (not limited to):

- Sustainability Policy
- Anti-Corruption & Anti-Bribery Policy
- Health and Safety Policy
- Environmental Policy
- Human Rights Policy
- Energy Policy
- Equal Opportunity Policy

Estate suppliers with more than 500 hectares are subject to MSPO certification, and all suppliers are required to adopt the MSPO commitments to address systematic issues in the palm oil industry. Understanding these requirements at the downstream level can be challenging due to the supply-chain focus. We drive uptake of certified supply for smallholders and collecting centres. Suppliers are also supported in meeting customer requirements through close collaboration with the company. We conduct stakeholder meetings yearly to brief and promote awareness of every supply chain to ensure the supply of sustainable products as per our Sustainability Policy.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENT

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and their results and cash flows for the financial year then ended, including the profit or loss of the Group for that financial year. Under that Law, the Directors are required to prepare the Group financial statements in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

In preparing the financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether MFRSs as adopted by the MASB and applicable Malaysian Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statement respectively;
- provided additional disclosures when compliance with the specific requirements in MFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepared the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business stated whether applicable accounting standards have been followed and made a statement to the effect in the financial statements, subject to any material departures being disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records that are sufficient to show and explain the Groups' transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company are kept, which enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016 and the applicable approved accounting standards in Malaysia. They are responsible for taking reasonable steps to safeguard the assets of the Group and the Company, for prevention and detection of fraud and other irregularities.

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's performance, business model and priorities. Each of the Directors, whose names and functions are set out on pages 3 to 4 of the NPC Annual Report 2024, confirms that, to the best of their knowledge, the financial statements, which have been prepared in accordance with the MFRS and the requirements of the Companies Act 2016 in Malaysia so as to give true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole.

ADDITIONAL COMPLIANCE INFORMATION

The following additional information is provided in compliance with the Listing Requirement of the Bursa Malaysia:-

1. Share Buybacks

During the financial year, 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.

As at 31 December 2024, the cumulative total number of shares held as Treasury Shares was 3,305,900. None of the Treasury Shares were resold or cancelled during the financial year.

2. Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued during the financial year.

3. American Deposit Receipt ('ADR') or Global Deposit Receipt ('GDR') Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

4. Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant authorities.

5. Audit and Non-Audit Fees

The amounts of audit fees paid/payable to the external auditors for services rendered to the Company and the Group for the year were RM250,000 and RM652,000 respectively.

There amount of non-audit fee paid/payable to the auditors for the services rendered to the Company and the Group for the year were RM5,000 and RM64,300 respectively.

6. Profit Estimate, Forecast or Projection

No material variance arose between the audited results for the financial year and the unaudited results previously announced. There were no profit estimate, forecast or projection for the financial year ended 31 December 2024.

7. Profit Guarantee

During the financial year, there was no profit guarantee given by the Company.

8. Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries which involved Directors' and major shareholders' interest either still subsisting at the end of the financial year.

9. Recurrent Related Party Transactions

The details of the related party transactions are set out in note 32 to the financial statements.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The members of the Audit Committee and their respective designations are as follows:-

NAME	DESIGNATION	DIRECTORSHIP
Dato' Ooi Sek Min	Chairman	Independent Non-Executive Director
Hajah Shakinur Ain Binti Hj Karama	Member	Independent Non-Executive Director
Datuk Goh Giok Yee	Member	Independent Non-Executive Director

The Audit Committee was formed by the Board of Directors on 19 March 2002.

The Chairman of the Audit Committee, Dato' Ooi Sek Min is a member of the Malaysian Institute of Accountants (MIA).

The Company has complied with the Malaysian Code of Corporate Governance 2021 and Paragraph 15.09 of the Bursa Malaysia Listing Requirements which require that all members of the audit committee should be non-executive directors.

Terms of reference

The Audit Committee is governed by the following terms of reference:

1. Composition of the audit committee

The Audit Committee shall be appointed by the Board of Directors from among their numbers and shall comprise at least three directors, all must be non-executive directors with a majority of them shall be independent of other fellow directors, substantial shareholders, senior management and operating executives and unencumbered by any relationships that might, in the opinion of the Board of Directors, be considered conflict of interest. The members of the Audit Committee shall elect a chairman from among themselves who shall be an independent director.

All members of the audit committee should be financially literate and at least one member of the audit committee:-

(a) must be a member of the Malaysian Institute of Accountants (MIA); or
(b) if he is not a member of the MIA, he must have at least 3 years' working experience and:-
  (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
  (iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia.

No alternate director shall be appointed as a member of the audit committee and provided, further, prior appointment of a former key audit partner as a member of the audit committee, he/she is subject to observe a cooling-off period of at least 2 years before the appointment.

2. Authority

The Audit Committee is authorised by the Board of Directors to:

(a) investigate any matters within its terms of reference;
(b) have the resources required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Group;
(d) have direct communication channels with the external auditors, internal auditors and person (s) carrying out the internal audit function or activity;
(e) be able to obtain independent professional advice and other advice; and
(f) be able to convene meetings with the external auditors, the internal auditors, the person (s) carrying out the internal audit function or activity or all, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

COMPOSITION OF THE AUDIT COMMITTEE (CONT'D)

Terms of reference (Cont'd)

3. Duties

The duties of the Committee should include the following:

(a) to recommend the nomination of a person or persons as external auditors, and to consider the audit fee and any questions of re-appointment, resignation or dismissal of external auditors;
(b) to assess the suitability, objectivity and independence of external auditors by reviewing the terms of engagement for the services rendered by them;
(c) to discuss with the external auditors before audit commences, the nature and scope of the audit contained in the audit plan, and ensure coordination where more than one audit firm is involved;
(d) to review the assistance given by the Company and its officers to the external and internal auditors;
(e) to review the adequacy and the integrity of the Group's internal control systems and management information systems with the external auditors;
(f) to review the quarterly and year-end financial statements of the Company prior to the approval by the Board; focusing particularly on:
   (i) any changes in or implementation of major accounting policies and practices;
   (ii) significant and unusual events;
   (iii) significant adjustments arising from the audit;
   (iv) the going concern assumption; and
   (v) compliance with applicable Financial Reporting Standards in Malaysia and other legal requirements;
(g) to discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
(h) to review the external auditors' audit report, management letter and management's response;
(i) to perform the following in respect of the internal audit function:
   (i) review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
   (ii) review the internal audit program, processes and results of the internal audit program, process or investigation undertaken and where necessary ensure that appropriate actions taken on the recommendations of the internal auditors;
   (iii) review any appraisal or assessment of the performance of the internal audit function;
   (iv) approve any appointment or termination of internal auditors; and
   (v) inform itself of resignation of internal auditors and provide the resigning internal auditors an opportunity to submit reasons for resigning;
(j) to consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
(k) to consider the major findings of internal investigations and management's response; and
(l) to report the above to the Board and consider other topics as defined by the Board.

4. Quorum and procedures for meetings

The Audit Committee meetings shall not be less than four times a year. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Representatives of external auditors may be required to be in attendance at meetings where matters relating to the audit of the statutory accounts are to be discussed. However, at least twice a year, the Audit Committee shall meet with the external auditors without any executive Board Members present, if deemed necessary.

The Committee shall meet at least once annually with the internal auditors to discuss the internal audit findings for the financial year without any executive Board Members present, if deemed necessary.

Other appropriate officers of the Group may be invited to attend, except for those portions of the meetings where their presence is considered inappropriate, as determined by the Chairman of the Audit Committee.

The quorum for the meeting shall be any two members, one of whom shall be an independent director.

COMPOSITION OF THE AUDIT COMMITTEE (CONT'D)

Terms of reference (Cont'd)

4. Quorum and procedures for meetings (Cont'd)

The Company Secretary shall be Secretary to the Audit Committee. The Secretary in conjunction with the Chairman, shall draw up agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the Committee.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

Minutes of each meeting shall be kept and distributed to each member of the Audit Committee. The Audit Committee Chairman shall report on each meeting to the Board of Directors.

5. Retirement and resignation

In the event of any vacancy in an audit committee resulting in the non-compliance of subparagraphs 15.19 of Bursa Malaysia Listing Requirements, the vacancy must be filled within 3 months.

6. Review of the audit committee

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

7. External Auditor Assessment

(a) Introduction

The Board of Directors recognises that the external auditor plays a vital role in the process of accountability for shareholders and the effective functioning of the capital market by the provision of consistent and reliable financial reporting.

The Audit Committee is assisting the Board's oversight function in ensuring the integrity of NPC Group's financial statements as well as in engaging and overseeing the external auditor. The Committee is responsible for reviewing, assessing and monitoring the performance, suitability and independence of external auditors.

(b) Objective

The objective of this External Auditor Policy is to outline the guidelines and procedures for the Audit Committee to review, assess and monitor the performance, suitability and independence of NPC Group's External Auditor as a measure for ensuring financial statements are a reliable source of information.

(c) Selection and Appointment

The Board has delegated to the Committee the responsibility for the appointment, remuneration and removal of external auditor.

Pursuant to Section 271 (1) of the Companies Act 2016, the Company shall appoint or re-appoint the external auditors of the Company for each financial year. The Board will conduct the said appointment or re-appointment at each Annual General Meeting, and the external auditors so appointed shall, hold office until the conclusion of the next Annual General Meeting of the Company.

COMPOSITION OF THE AUDIT COMMITTEE (CONT'D)

Terms of reference (Cont'd)

7. External Auditor Assessment (Cont'd)

(c) Selection and Appointment (Cont'd)

Should the Committee determines a need for a change of external auditors, the Committee will follow the following procedures for selection and appointment of new external auditors:-

(i) the Committee to identify the audit firms who meet the criteria for appointment and will request for their proposals of engagement for considerations;
(ii) the Committee will assess the proposals received and shortlist the suitable audit firms;
(iii) the Committee will meet and/or interview the shortlisted candidates;
(iv) the Audit Committee may delegate or seek the assistance of the Chief Financial Officer to perform items (i) to (iii) above;
(v) the Committee will recommend the appropriate audit firm to the Board for appointment as external auditors; and
(vi) the Board will if deemed appropriate, endorse the recommendation and seek shareholders' approval for the appointment of the new external auditors and/or resignation/removal of the existing external auditors at the general meeting.

Selection Criteria:
The Audit Committee will give due consideration to the following criteria when selecting preferred the External Auditors for recommendation to the Board:-

(i) Approach to business and operations
- Business model and governance of the audit firm
- Internal partner firm processes
- Audit firm partner rotation and succession planning

(ii) Audit ability and approach
- Skills and knowledge, experience, expertise, qualifications and training of the proposed external audit team
- Proposed methodology
- Areas that will receive primary focus and the related audit approach
- Comprehensive work plan
- Use of associated or affiliated member firm personnel and third-party experts

(iii) Business and industry understanding
- Audit firm and team kept up-to-date with latest auditing, accounting and business regulations, or any other related legalities

(iv) Industry-specific experience
(v) Communication strategy
- Additional internal status report
- Policy regarding the availability of partners and managers for miscellaneous telephone inquiries and short meetings throughout the year
- Means to ensure the timeliness of the information

(v) Reputation
- Application of corporate governance
- Good ethical reputation
- References

(vi) Evidence of audit quality
- Within the audit firm: review of the system of internal quality assurance
- External information: review of the auditor's/audit firm's specific reports

(vii) Interview with the individual auditor/audit engagement partner
(viii) Auditor's/audit firm's insurance coverage

COMPOSITION OF THE AUDIT COMMITTEE (CONT'D)

Terms of reference (Cont'd)

7. External Auditor Assessment (Cont'd)

(c) Selection and Appointment (Cont'd)

Selection Criteria: (Cont'd)
The Audit Committee will give due consideration to the following criteria when selecting preferred the External Auditors for recommendation to the Board:- (Cont'd)

(ix) Price
- 'Value for money'
- The availability of key team members
- The proposed audit team personnel resources, their experience, expertise, qualifications and training
- The allocation of personnel, i.e. hours to be spent allocated to each type and level of qualified resource
- Audit team member relationship management and interpersonal skills

(x) Capacity for innovation
- Ability to improve the audit processes, e.g. using IT tools
- Tools to be more efficient and effective in the audit work

(d) Independence Assessment

The independence of external auditor is essential to the provision of an objective opinion on the truth and fairness of the financial statements of the Company. Pursuant to Practice 9.3 under Principle B of the Malaysian Code on Corporate Governance 2021, The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

In discharging this duty, the Committee shall carry out an annual evaluation of the external auditors which shall encompass an assessment of the qualifications and performance of the auditors; the quality and candour of the auditors' communications with the Committee and the Company; and the auditors' independence, objectivity, and professional scepticism.

The external auditors are precluded from providing any services that may impair their independence or conflict with their role as external auditors. The Committee shall obtain a written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Committee may also request the Chief Financial Officer (or equivalent) and/or Head of Internal Audit to perform the annual assessment of the external auditors.

(e) Independence

The Audit Committee shall review the independence of the external auditors annually. The external auditors must be independent from NPC Group and also be seen to be independent from NPC Group. Specifically, the external auditors will need to satisfy the Audit Committee that:-

(i) no services will be provided that will result in a conflict of interest;
(ii) any services provided additional to that of the audit function involving non-audit services, would not have a material bearing on the audit and would not involve the firm auditing their own work;
(iii) the audit firm has an audit personnel rotation policy, including lead and signing partners, requiring rotation at least every five years in compliance with the requirements of the Malaysian Institute of Accountants; and
(iv) there will be no situations where the auditors assume the role of management or where the auditors are placed in the role of advocate for the Group.

COMPOSITION OF THE AUDIT COMMITTEE (CONT'D)

Terms of reference (Cont'd)

7. External Auditor Assessment (Cont'd)

(e) Independence (Cont'd)

In avoidance of doubt, the Audit Committee shall obtain a written assurance from the External Auditor confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

(f) Non-Audit Services

The External Auditors can be engaged to perform non-audit services provided such services provided do not impair, or appear to impair the auditors' independence or objectivity. This excludes audit related work in compliance with statutory requirements. The prohibition of non-audit services is based on three (3) basic principles as follows:-

(i) external auditors cannot function in the role of Management;
(ii) external auditors cannot audit their own work; and
(iii) external auditors cannot serve in an advocacy role of the Group.

The external auditors shall also observe and comply with the By-Laws of the Malaysian Institute of Accountants in connection with the provision of non-audit services, which also prohibit the provision of certain services including the following:

(i) Accounting and bookkeeping services;
(ii) Valuations services;
(iii) Internal audit services;
(iv) IT systems services;
(v) Litigation support services;
(vi) Recruitment services; and
(vii) Corporate finance services.

All engagement of the external auditors to provide non-audit services is subject to the approval/endorsement of the audit committee. Management shall also obtain written assurance from the external auditors that the independence of the external auditors will not be impaired by the provision of non-audit services.

(g) Annual Reporting

The external auditors shall:

(i) Issue an annual audit plan for review and discussion with the Audit Committee;
(ii) At the conclusion of the audit review, shall discuss findings, significant audit weakness and audit related recommendations with the Audit Committee and Senior Management; and
(iii) Provide a management letter to the Audit Committee upon completion of the annual audit.

(h) Review of the External Auditor Independence

The Board and the Audit Committee will review the External Auditors Assessment periodically to ensure that it continues to remain relevant and appropriate.

INTERNAL AUDIT

The Group has an in-house internal audit team with relevant experience and education to ensure the internal control of the operations in Sabah and Indonesia is in place. The in-house internal audit team also reports directly to the Audit Committee. The main activities undertaken by the internal auditors during the financial year are as follow:

a) Ascertain whether remedial action had been taken on the agreed audit issues and recommendations highlighted in the preceding audit report.

b) Evaluate the adequacy and effectiveness, and also determine the level of compliance of existing internal controls, policies, procedures, laws and regulations.

c) Identify operational risks and opportunities to enable management to take appropriate action.

d) To report the findings and recommendations from the above review to the Audit Committee.

In this respect, the review was confined to the following areas:

i. Harvesting & collection of fresh fruit bunches;
ii. Manuring operations;
iii. Weeding operations;
iv. Estates' & mill's store operations;
v. Estate's vehicle upkeep; and
vi. Production & process of palm oil mill.

The results of the internal audit function are set out in the Statement of Internal Control.

MEETINGS AND SUMMARY OF ACTIVITIES

The Committee had held five meetings during the financial year. The attendance record of the Audit Committee members in each of the meetings is as follows:

NAME	MEETINGS ATTENDED	MAXIMUM POSSIBLE MEETINGS TO ATTEND
Dato' Ooi Sek Min	5	5
Hajah Shakinur Ain Binti Hj Karama	5	5
Datuk Goh Giok Yee	4	5

The main activities undertaken by the Committee were as follows:

(a) reviewed the unaudited Quarterly Financial Results of the Group and its disclosure requirements before recommending them for the Board's approval;
(b) reviewed the year end financial statements of the Company prior to submission to the Board for their consideration and approval. This review was to ensure that the financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable Financial Reporting Standards in Malaysia;
(c) reviewed each quarter's related party transactions and report the same to the Board;
(d) reviewed the audit plans and service charter presented by the external auditors; and
(e) reviewed the internal audit program, processes and results of the internal audit processes.

Details of training attended by the Audit Committee members are disclosed on page 16 of the Corporate Governance Overview Statement.

This Audit Committee Report is made in accordance with the resolution of the Audit Committee dated 21 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Responsibility

The Board acknowledges its responsibility for overseeing the Group's risk management system and internal control framework, and for regularly reviewing their adequacy and effectiveness.

The Board affirms that a continuous process is in place to identify, assess, and manage the significant risks faced by the Group, covering the entire financial year under review and continuing up to the approval date of the annual report and financial statements. This process aligns with the guidance set out in the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

While no internal control system can offer absolute assurance, the controls in place are designed to provide reasonable assurance against material misstatement or loss. Their primary purpose is to manage, rather than completely eliminate, the risks associated with achieving the Group's business objectives.

Risk Management Framework and Control Self - Assessment

The Board's primary objective in managing the Group's risks is to ensure the successful achievement of its business goals. A formalized risk management framework has been established to ensure compliance with the Bursa Malaysia Listing Requirements, the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, the Companies Act 2016, and the Malaysian Code on Corporate Governance ("MCCG").

The Board conducts an annual review of the risk management framework, while management is entrusted with the ongoing responsibility to monitor and assess the Group's principal risks. This includes evaluating the effectiveness of existing controls and developing action plans, in collaboration with the respective process owners. The Executive Directors are specifically tasked with the continuous monitoring and review of the Group's strategic direction and significant operational matters, ensuring that risk management is integrated into the Group's decision-making processes.

Other Key Elements of Internal Control

Scheduled face-to-face and/or Zoom meetings are regularly held at both the head office and operational sites to identify, discuss, and resolve business and operational challenges. The Board is actively engaged and, when necessary, involved in addressing any significant issues that arise during these meetings. The Executive Directors are deeply involved in the daily operations of the Group, ensuring seamless execution of its strategies.

The Group operates under a clear and structured management framework that defines clear lines of accountability and delegated authority. Proper segregation of duties is implemented to safeguard the Group's assets. The Group's organizational structure includes the Management Committee, led by the Group Managing Director. This Committee convenes monthly, either at the head office or operational sites, to review the Group's performance, discuss operations, and ensure that all activities align with the Board's standards and expectations. Additionally, a structured and formal employee appraisal system is in place, ensuring that employees are compensated fairly based on their individual performance.

The Board has reviewed and approved the Group's budget for the current financial year. The budgeting process involves the preparation of budgets by individual operating units, which are first reviewed and approved at the management level before final approval by the Board. Actual performance is closely monitored against these budgets, and any significant variances are thoroughly analysed and reported to both management and the Board, who take appropriate corrective actions when necessary.

Internal Audit Function

The Board remains committed towards continuous improvement and enhancement of its internal controls to ensure that there is increased certainty of the achievement of business objectives, thus enhancing the shareholders' value.

The Group's internal audit was carried out based on the Internal Audit plan that was reviewed by the Audit Committee and approved by the Board of Directors.

The Group has an in-house internal audit team with relevant experience and education to ensure the internal control of the operations in Sabah and Indonesia is in place. The in-house internal audit team reports directly to the Audit Committee.

The amount of internal audit fees payable to the internal auditors for the year is RM189,000.

The risk based internal audit approach has examined, evaluated and ensured compliance with the Group's policies, procedures and system of controls. It has also evaluated the effectiveness of the internal control system and assessed the consequences of any potential risks and suggested any improvements required.

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

During the year, several minor internal control weaknesses were identified, all of which have been or are being addressed promptly. Importantly, none of these weaknesses have led to any material losses, contingencies, or uncertainties that would necessitate disclosure in the Group's Annual Report. The Board has received assurances from the Group Managing Director and the Chief Financial Officer that the Company's risk management and internal control systems are functioning effectively and adequately in all material respects. This assurance is based on the comprehensive evaluation of the Company's risk management and internal control framework. The Board confirms that its system of risk management and internal controls remained fully operational throughout the financial year and up until the approval date of the Annual Report.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the LR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 21 April 2025.

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal activities

The principal activities of the Company are the business of investment holding and the provision of management services.

The principal activities of the subsidiaries are set out in Note 19 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	41,030	90,634
Non-controlling interests	265	-
	41,295	90,634

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

Dividends

No dividend has been paid, declared or proposed since the end of the previous financial year. The Directors do not recommend any dividends for the current financial year ended 31 December 2024.

Directors

The Directors who have held office during the financial year and up to the date of this report are:

Dato' Loo Pang Kee*
Lim Ted Hing
Dato' Ooi Sek Min
Shakinur Ain Binti Karama
Datuk Goh Giok Yee
Chai Chih Kai* (Appointed on 26 February 2024)

* These Directors are also Directors of certain subsidiaries of the Company.

Directors (continued)

Pursuant to Section 253 of the Companies Act, 2016 in Malaysia, the Directors of subsidiaries during the financial year and up to the date of this report, who are not also the Directors of the Company, are as follows:

Husin Assegaf
Lim Chau Thye @ Lim Yoke Moi
Loo Ban Teng
Loo Pang Keng
Chloe Loo Ee Rhan
Arthur Loo Cheng Kuan
Herdiyanto (Resigned on 3 January 2024)

Directors' interests in shares

The holdings and deemed holdings in the ordinary shares of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholding kept under Section 59 of the Companies Act, 2016 in Malaysia are as follows:

	Number of ordinary shares			
	At 1.1.2024	**Bought**	**Sold**	**At 31.12.2024**
Direct interest:				
Dato' Loo Pang Kee	21,379,594	7,028,924	-	28,408,518
Lim Ted Hing	804,000	-	-	804,000
Indirect interest:				
Dato' Loo Pang Kee*	36,904,196	1,382,124	(694,524)	37,591,796

* Deemed interested by virtue of his substantial interests in Jubilant Ventures Sdn. Bhd. and via shareholdings held by his son, Arthur Loo Cheng Kuan.

By virtue of his substantial interests in the shares in the Company, Dato' Loo Pang Kee is also deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interest in accordance with Section 8 of the Companies Act, 2016.

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 32 to the financial statements.

Directors' benefits (continued)

There were no arrangements during and at the end of the financial year, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' remuneration

The remuneration paid to or receivable by the Directors of the Group and of the Company during the financial year amounted to RM4,938,000 and RM1,906,000 respectively.

Indemnity and insurance for Directors, officers and auditors

There was no indemnity given to or liability insurance effected for any Directors, officers or auditors of the Group or of the Company during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 19 to the financial statements.

Issues of shares and debentures

The Company did not issue any new shares or debentures during the financial year.

Treasury shares

As at 31 December 2024, the Company held as treasury shares a total of 3,305,900 of its 120,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM7,839,067 and further relevant details are disclosed in Note 27 to the financial statements.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

(i) all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Other statutory information (continued)

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debts, or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

As at the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

Auditors

The auditors, PKF PLT, have indicated their willingness to continue in office.

During the financial year, the total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company are amounted to RM652,000 and RM250,000 respectively.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATO' LOO PANG KEE
Director

LIM TED HING
Director

Dated 29 April 2025

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

In the opinion of the Directors, the accompanying financial statements set out on pages 62 to 136 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATO' LOO PANG KEE
Director

LIM TED HING
Director

Dated 29 April 2025

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, DATO' LOO PANG KEE, being the director primarily responsible for the financial management of NPC RESOURCES BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 62 to 136 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by)
the abovenamed DATO' LOO PANG KEE)
at Kota Kinabalu in the state of Sabah)
on 29 April 2025)

DATO' LOO PANG KEE

Before me,

DR. JOSEPH AHLAN
S115
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NPC RESOURCES BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of NPC RESOURCES BERHAD, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 62 to 136.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial statements, which indicates that as at 31 December 2024, the Group's current liabilities exceeded its current assets by RM48.4 million. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D) OF NPC RESOURCES BERHAD (Incorporated in Malaysia)

Key Audit Matters (continued)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Area of focus	How our audit addressed the key audit matter
Group	
Impairment assessment of property, plant and equipment	
As highlighted in Note 16 to the financial statements, the carrying value of property, plant and equipment of the Group was RM878 million as at 31 December 2024 of which, oil palm plantation assets account for more than 80%. The Group shall assess at the end of the reporting period whether there is any indication that property, plant and equipment may be impaired. If any such indication exists, the Group shall estimate the recoverable amounts of these assets. As at 31 December 2024, certain oil palm plantations and a hotel operation of the Group have been making losses or having thin profits, indicating that the carrying amounts of these assets may be impaired. The Group estimates the recoverable amount of the cash-generating unit ("CGUs") based on fair value less costs of disposal ("FVLCD") or value in use ("VIU").	Our audit procedures included, among others: <u>FVLCD</u> • obtaining the valuation reports prepared by the independent valuers engaged by the Group; • reviewing these reports for appropriateness of the methodology used and the reasonableness of the assumptions used; and • assessing the competency, capabilities and objectivity of these independent valuers engaged by the Group. <u>VIU</u> • assessing whether the assumptions on which the cash flow projections are based are consistent with past actual outcomes, in particular the assumptions about estimated future sales volumes, prices, operating costs, terminal value and possible variations in the timing of those future cash flows; • assessing the discount rate used to determine the present value of the cash flows; • testing the mathematical accuracy of the impairment assessment; and • performing stress test and sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D) OF NPC RESOURCES BERHAD (Incorporated in Malaysia)

Key Audit Matters (continued)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Area of focus	How our audit addressed the key audit matter
Group **Impairment assessment of property, plant and equipment** For FVLCD, the Group engaged independent valuers to determine the recoverable amount of certain significant property, plant and equipment relating to the CGUs that are exhibiting impairment indicators. These independent valuers use industry/market accepted valuation methodology and approaches to determine the fair value of the underlying asset. Due to the measurement of fair value being inherently judgemental and the carrying value of these assets being material to the Group, we have considered this to be a key audit matter. Estimating the VIU involves estimating the future cash inflows and outflows that will be generated by the CGUs and discounting them at an appropriate rate. Significant judgements are required in determining the assumptions to be used to estimate the VIU of the CGUs as these assumptions are affected by expected future demand and economic conditions, which include estimates of future sales volumes, prices, operating costs, terminal value and the discount rate to use.	

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D) OF NPC RESOURCES BERHAD (Incorporated in Malaysia)

Key Audit Matters (continued)

Area of focus	How our audit addressed the key audit matter
Group	
Impairment assessment of goodwill	
As highlighted in Note 18 to the financial statements, the carrying value of goodwill of the Group was RM31 million as at 31 December 2024. In accordance with paragraph 10 of MFRS 136 *Impairment of Assets*, goodwill is required to be tested for impairment annually by comparing its carrying amount with its recoverable amount, irrespective of whether there is any indication that it may be impaired. The Group estimated the recoverable amounts of the cash generating units ("CGUs") to which goodwill is allocated based on value in use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows that will be generated by the CGUs and discounting them at an appropriate rate. Significant judgements are required in determining the assumptions to be used to estimate the VIU of the CGUs as these assumptions are affected by expected future demand and economic conditions, which include estimates of future sales volumes, prices, operating costs, terminal value and the discount rate to use. Due to the significant judgement required in determining the assumptions used to estimate the recoverable amount, we have considered this to be a key audit matter.	Our audit procedures included, among others: • assessing whether the assumptions on which the cash flow projections are based are consistent with past actual outcomes, in particular the assumptions about estimated future sales volumes, prices, operating costs, terminal value and possible variations in the timing of those future cash flows; • assessing the discount rate used to determine the present value of the cash flows; • testing the mathematical accuracy of the impairment assessment; and • performing stress test and sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D) OF NPC RESOURCES BERHAD (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D) OF NPC RESOURCES BERHAD (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(iv) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D) OF NPC RESOURCES BERHAD (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report. The financial statements of the Group and of the Company as at 31 December 2023, were audited by another auditor whose report dated 26 April 2024, expressed an unmodified opinion.

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

CHAU MAN KIT
02525/03/2026 J
CHARTERED ACCOUNTANT

Kota Kinabalu

Dated 29 April 2025

NPC Resources Berhad

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	Restated 2023 RM'000	2024 RM'000	2023 RM'000
Revenue	5	497,847	447,296	118,526	5,556
Cost of sales		(399,583)	(382,633)	-	-
Gross profit		98,264	64,663	118,526	5,556
Other operating income	6	16,081	5,820	9,972	34,149
Reversal of allowance/ (Allowance) for expected credit losses	7	20	(338)	-	-
Administrative expenses		(21,838)	(19,509)	(6,315)	(5,290)
Other expenses	8	(5,298)	(2,621)	(21,345)	-
Profit from operations	11	87,229	48,015	100,838	34,415
Finance costs	12	(29,386)	(30,199)	(10,072)	(14,536)
Profit before taxation		57,843	17,816	90,766	19,879
Income tax expense	13	(16,548)	(7,319)	(132)	(127)
Profit after taxation		41,295	10,497	90,634	19,752
Other comprehensive income	14				
Items that will not be reclassified subsequently to profit or loss:					
Revaluation of property, plant and equipment		-	5,075	-	-
Items that will be reclassified subsequently to profit or loss:					
Fair value changes of employee defined benefit liabilities		527	(16)	-	-
Foreign currency translation differences		(13,915)	10,594	-	-
		(13,388)	10,578	-	-
Other comprehensive income for the financial year		(13,388)	15,653	-	-
Total other comprehensive income for the financial year		27,907	26,150	90,634	19,752

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Profit attributable to:					
Owners of the Company		41,030	9,582	90,634	19,752
Non-controlling interests		265	915	-	-
		41,295	10,497	90,634	19,752
Total comprehensive income attributable to:					
Owners of the Company		27,629	21,707	90,634	19,752
Non-controlling interests		278	4,443	-	-
		27,907	26,150	90,634	19,752
Earnings per share attributable to owners of the Company (sen per share)					
Basic and diluted	15	35.14	8.20		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
			Restated		
ASSETS	**Note**	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Non-current assets					
Property, plant and equipment	16	878,945	964,288	524	570
Investment properties	17	13,974	14,314	-	-
Goodwill	18	30,640	32,520	-	-
Investments in subsidiaries	19	-	-	165,701	165,701
Other receivables	20	14,737	36,139	-	-
Deferred tax assets	21	289	230	-	-
		938,585	1,047,491	166,225	166,271
Current assets					
Biological assets	22	6,516	7,559	-	-
Inventories	23	26,855	26,882	-	-
Trade and other receivables	20	34,953	20,830	455,596	563,706
Tax recoverable		1,615	392	-	-
Cash and bank balances	24	41,792	21,712	3,951	5,447
		111,731	77,375	459,547	569,153
Assets classified as held for sales	25	-	165,112	-	-
		111,731	242,487	459,547	569,153
TOTAL ASSETS		1,050,316	1,289,978	625,772	735,424
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	26	120,000	120,000	120,000	120,000
Treasury shares	27	(7,839)	(7,509)	(7,839)	(7,509)
Reserves	28	520,848	457,727	136,669	46,035
		633,009	570,218	248,830	158,526
Non-controlling interests		(4,833)	20,656	-	-
Total equity		628,176	590,874	248,830	158,526
Non-current liabilities					
Deferred tax liabilities	21	87,951	129,107	46	19
Employee defined benefit liabilities	29	5,116	4,139	-	-
Loans and borrowings	30	168,896	218,541	-	36,465
		261,963	351,787	46	36,484
Current liabilities					
Loans and borrowings	30	65,406	227,149	7,467	104,033
Trade and other payables	31	86,329	119,255	369,413	436,348
Taxation		8,442	913	16	33
		160,177	347,317	376,896	540,414
Total liabilities		422,140	699,104	376,942	576,898
TOTAL EQUITY AND LIABILITIES		1,050,316	1,289,978	625,772	735,424

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	<— Attributable to owners of the Company				—>			
	<— Non-distributable			—>	Distributable			
Group	**Share capital RM'000**	**Treasury shares RM'000**	**Foreign exchange translation reserve RM'000**	**Revaluation reserve RM'000**	**Retained profits RM'000**	**Sub-total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2023	120,000	(7,509)	(24,899)	246,045	198,803	532,440	32,284	564,724
Profit for the financial year	-	-	-	-	9,582	9,582	915	10,497
Other comprehensive income								
- Revaluation of property, plant and equipment	-	-	-	776	-	776	4,299	5,075
- Fair value changes of employee defined benefit liabilities	-	-	-	-	(18)	(18)	2	(16)
- Foreign currency translation	-	-	11,596	-	(229)	11,367	(773)	10,594
Total comprehensive income for the financial year	-	-	11,596	776	9,335	21,707	4,443	26,150
Changes in ownership interests in subsidiaries								
- Acquisition of non-controlling interests	-	-	-	-	16,071	16,071	(16,071)	-
Realisation of revaluation reserve	-	-	-	(9,029)	9,029	-	-	-
At 31 December 2023	120,000	(7,509)	(13,303)	237,792	233,238	570,218	20,656	590,874

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	<— Attributable to owners of the Company				—>			
	<— Non-distributable			—>	Distributable			
Group	**Share capital RM'000**	**Treasury shares RM'000**	**Foreign exchange translation reserve RM'000**	**Revaluation reserve RM'000**	**Retained profits RM'000**	**Sub-total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2024	120,000	(7,509)	(13,303)	237,792	233,238	570,218	20,656	590,874
Profit for the financial year	-	-	-	-	41,030	41,030	265	41,295
Other comprehensive income								
- Fair value changes of employee defined benefit liabilities	-	-	-	-	514	514	13	527
- Foreign currency translation	-	-	(13,884)	-	(31)	(13,915)	-	(13,915)
Total comprehensive income for the financial year	-	-	(13,884)	-	41,513	27,629	278	27,907
Purchase of treasury shares	-	(330)	-	-	-	(330)	-	(330)
Disposal of assets held for sales	-	-	-	(79,620)	110,725	31,105	-	31,105
Disposal of subsidiary	-	-	-	(15,553)	19,940	4,387	-	4,387
Realisation of revaluation reserve	-	-	-	(7,779)	7,779	-	-	-
Transactions with owners of the Company								
- Dividend on ordinary shares	-	-	-	-	-	-	(25,767)	(25,767)
At 31 December 2024	120,000	(7,839)	(27,187)	134,840	413,195	633,009	(4,833)	628,176

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Note	<— Attributable to owners of the Company —>			
		<— Non-distributable —>		Distributable	
		Share capital RM'000	Treasury shares RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2023		120,000	(7,509)	26,283	138,774
Profits for the financial year/Total comprehensive income for the financial year		-	-	19,752	19,752
At 31 December 2023		120,000	(7,509)	46,035	158,526
Profits for the financial year/Total comprehensive income for the financial year		-	-	90,634	90,634
Purchase of treasury shares	27	-	(330)	-	(330)
At 31 December 2024		120,000	(7,839)	136,669	248,830

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before taxation:		57,843	17,816	90,766	19,879
Adjustments for:					
(Reversal of allowance)/Allowance for expected credit losses		(20)	338	-	-
Bad debts written off		-	-	206	-
Depreciation of investment properties		340	343	-	-
Depreciation of property, plant and equipment		62,450	52,919	53	64
Dividend income		-	-	(112,214)	-
Fair value loss on biological assets		1,043	382	-	-
Goodwill written off		1,753	-	-	-
Loss/(Gain) on disposal of:					
- assets held for sale		2,320	-	-	-
- property, plant and equipment		(944)	593	-	-
- subsidiary		(1,402)	-	-	-
Interest expenses		29,386	30,199	10,072	14,536
Interest income		(1,079)	(248)	(9,972)	(14,539)
Property, plant and equipment written off		182	-	-	-
Unrealised (gain)/loss on foreign exchange		(3,346)	1,646	21,139	(19,584)
Operating profit before working capital changes		148,526	103,988	50	356
Change in inventories		(224)	7,526	-	-
Change in receivables		(3,094)	43,955	(1,500)	(250)
Change in payables		17,109	(51,627)	(2,284)	(1,627)
Net changes in amount with subsidiary companies		-	-	132,307	52,666
Cash from operations		162,317	103,842	128,573	51,145
Income tax paid		(18,273)	(4,663)	(122)	(98)
Income tax refunded		11	416	-	-
Interest paid		(29,449)	(32,982)	(10,072)	(14,536)
Interest received		1,079	248	9,972	14,539
Net cash from operating activities		115,685	66,861	128,351	51,050
Cash flows from investing activities					
Acquisitions of non-controlling interest		-	-	-	(194)
Acquisition of property, plant and equipment*		(72,722)	(42,839)	(11)	(7)
Disposal of subsidiary, net of cash and cash equivalents disposed of		30,275	-	-	-
Proceeds from disposal of					
- assets held for sales		165,112	-	-	-
- property, plant and equipment		2,121	4,341	-	-
Subscription of additional shares in subsidiaries		-	-	-	(100)
Net cash from/(used in) investing activities		124,786	(38,498)	(11)	(301)

(forward)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(continued)	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from financing activities					
Dividend paid to non-controlling interests		(25,767)	-	-	-
Drawdown of term loans		33,906	28,648	-	-
Net changes in pledged deposits with licensed bank		29	(3,760)	-	-
Net (repayment)/drawdown of bankers' acceptance		(27,952)	556	-	-
Net repayment of revolving credit		(97,538)	(13,156)	(62,696)	(14,677)
Purchase of treasury shares		(330)	-	(330)	-
Repayment of lease liabilities		(2,561)	(1,389)	-	-
Repayment of term loans		(96,509)	(53,920)	(66,195)	(36,130)
Net cash used in financing activities		(216,722)	(43,021)	(129,221)	(50,807)
Net increase/(decrease) in cash and cash equivalents		23,749	(14,658)	(881)	(58)
Effects of foreign exchange translation		3,977	(1,185)	353	17
Cash and cash equivalents at beginning of the financial year		3,546	19,389	4,457	4,498
Cash and cash equivalents at end of financial year	24	31,272	3,546	3,929	4,457

Non-cash transactions

* Acquisition of property, plant and equipment

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cost of property, plant and equipment		77,384	47,778	11	7
Less:					
- Acquired through hire purchase arrangements		(3,731)	(2,751)	-	-
- Finance costs included within property, plant and equipment	12	(63)	(761)	-	-
- non-cash items included within property, plant and equipment	16	(868)	(1,427)	-	-
		72,722	42,839	11	7

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Reconciliation of liabilities arising from financing activities:

Group **2024**	**1 Jan** **RM'000**	**Cash flows** **RM'000**	**Non-cash acquisition** **RM'000**	**Exchange differences** **RM'000**	**31 Dec** **RM'000**
Bankers' acceptances	39,938	(27,952)	-	-	11,986
Lease liabilities	5,790	(2,561)	3,731	(408)	6,552
Revolving credit	120,655	(97,538)	-	(3,172)	19,945
Term loans	270,603	(62,603)	-	(13,268)	194,732
	436,986	(190,654)	3,731	(16,848)	233,215
2023					
Bankers' acceptances	39,382	556	-	-	39,938
Lease liabilities	5,720	(1,389)	2,751	(1,292)	5,790
Revolving credit	130,391	(13,156)	-	3,420	120,655
Term loans	286,130	(25,272)	-	9,745	270,603
	461,623	(39,261)	2,751	11,873	436,986

Company **2024**	**1 Jan** **RM'000**	**Cash flows** **RM'000**	**Non-cash acquisition** **RM'000**	**Exchange differences** **RM'000**	**31 Dec** **RM'000**
Revolving credit	73,313	(62,696)	-	(3,172)	7,445
Term loans	66,195	(66,195)	-	-	-
	139,508	(128,891)	-	(3,172)	7,445
2023					
Revolving credit	85,391	(14,677)	-	2,599	73,313
Term loans	102,325	(36,130)	-	-	66,195
	187,716	(50,807)	-	2,599	139,508

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. General information

The Company is a public limited liability company that is incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 19 to the financial statements.

The registered office and principal place of business of the Company are located at Lot 9, T3, Taman Tshun Ngen, Mile 5, Jalan Labuk, 90000 Sandakan, Sabah, Malaysia.

These financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors dated 29 April 2025.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

(b) Basis of measurement

The material accounting policies adopted by the Group and the Company are consistent with those adopted in previous financial year unless otherwise stated.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies.

The financial statements are also prepared on a going concern basis. However, as at 31 December 2024, the Group's current liabilities exceeded its current assets by RM48.4 million. This condition indicates that there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

2. **Basis of preparation** (continued)

(b) **Basis of measurement** (continued)

Notwithstanding the above, the ability of the Group to continue as a going concern and meet its obligation is therefore dependent on the following:

(i) The achievement of future profitable operations and positive cashflows;

(ii) The anticipated continued renewal of existing short term revolving credit facilities with sufficient credit line for settlement of immediately expiring loan obligations; and

(iii) The ability to dispose of certain plantation asset of the Group if the necessity arises.

(c) **Functional and presentation currency**

The financial statements are prepared in Ringgit Malaysia (RM) which is the Company's functional currency, and all values are rounded to the nearest thousand (RM'000) unless otherwise stated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(d) **Adoption of new and revised MFRS**

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the MASB that are mandatory for current financial year:

- Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements: Non-current Liabilities with Covenants
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

(e) **Standards issued but not yet effective**

Certain new accounting standards and interpretations have been issued but not yet effective for 31 December 2024 reporting periods and have not been early adopted by the Group and the Company. These standards are not expected to have a material impact on the Group and the Company in the current or future reporting periods.

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which could have a significant effect on the amounts recognised in the consolidated financial statements.

Operating segments

The segments disclosed in Note 38 to the financial statements have been determined by distinguishing the business activities from which the Group earns revenues and incurs expenses. The economic characteristics of the operating segments have been reviewed and operating segments have been grouped based on the reporting to the chief operating decision maker.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Depreciation of property, plant and equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. The management estimates the useful lives of the property, plant and equipment to be within five (5) to eight hundred eighty-three (883) years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3. **Significant accounting judgements and estimates** (continued)

(b) **Key sources of estimation uncertainty** (continued)

(ii) **Income taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) **Property, plant and equipment under revaluation**

Certain properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for location, size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amount of property, plant and equipment measured at revaluation as at the reporting date is disclosed in Note 16 to the financial statements.

(iv) **Impairment of property, plant and equipment and investment properties**

The Group and the Company review the carrying amounts of property, plant and equipment and investment properties at each reporting date to assess whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCD") and its value in use ("VIU").

The Group and the Company estimate the recoverable amounts of the cash-generating unit ("CGU") based on FVLCD and VIU. Estimating the VIU involves estimating the future cash inflows and outflows that will be generated by the CGUs and discounting them at an appropriate rate. In estimating the recoverable amounts of FVLCD, the Directors relied on independent professional valuers and recent market transaction prices of similar properties.

3. Significant accounting judgements and estimates (continued)

(b) Key sources of estimation uncertainty (continued)

(v) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its FVLCD and its VIU. This requires an estimation of the recoverable amounts of the CGUs to which goodwill is allocated.

Estimating a VIU amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 18 to the financial statements.

(vi) Carrying value of investments in subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 4(o)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Significant judgment is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgments made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

(vii) Biological assets

The Group carries its biological assets at fair value with changes in fair value being recognised in profit or loss. The determination of the fair value of the biological assets requires the use of estimates on the projected harvest quantities and market price of fresh fruit bunches ("FFB") as at the reporting date. The carrying amount and key assumptions used to determine the fair value of the biological assets are further disclosed in Note 22 to the financial statements.

3. Significant accounting judgements and estimates (continued)

(b) Key sources of estimation uncertainty (continued)

(viii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the statement of profit or loss and other comprehensive income in the period in which actual realisation and settlement occurs.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax credits and unutilised tax losses to the extent that it is probable that taxable profit will be available against which these items can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised and unrecognised deferred tax assets are disclosed in Note 21 to the financial statements.

Assumptions about generation of future taxable profits would depend on the achievability of projected profits and this requires judgement of the management. These assumptions and judgement are subject to risks and uncertainty, hence there is possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax assets recognised.

(viii) Allowance for inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(ix) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4. Material accounting policies

Certain immaterial accounting policies have been voluntarily disclosed to ensure completeness in the financial statements of the Group.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

(i) **Subsidiaries**

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) **Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

(iii) **Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

4. **Material accounting policies** (continued)

(a) **Basis of consolidation** (continued)

(iv) **Transactions with non-controlling interests**

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interests, the difference between the consideration and the Group' share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(b) **Foreign currencies**

(i) **Functional and presentation currencies**

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) **Foreign currency transactions**

The principal closing rates used in translating the foreign currency amounts are as follows:

	2024 RM	**2023 RM**
Indonesian Rupiah ("IDR")	0.0002780	0.0002980

(iii) **Foreign operations**

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

4. Material accounting policies (continued)

(c) Revenue recognition

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be a point in time or over time.

(i) **Sale of goods**

Revenue from sale of goods is recognised net of discount and taxes at the point in time when control of the goods has transferred to the customers. The transaction price is allocated to each performance obligation based on the standalone selling price of the goods. There is no element of financing present as the sale of goods are either on cash terms (immediate payment or advance payment not exceeding 30 days) or on credit terms of up to 60 days.

(ii) **Management fee**

Dividend income is recognised when the right to receive payment is established.

(iii) **Dividend income**

Dividend income is recognised when the right to receive payment is established.

(iv) **Other income**

Revenue from other sources is recognised as follows:

(a) interest income is recognised on a time proportion basis that reflects the effective yield on the assets; and

(b) rental income is accounted for on a straight-line basis over the lease terms.

(d) Employee benefits

(i) **Short term benefits**

Wages and salaries are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

4. Material accounting policies (continued)

(d) Employee benefits (continued)

(i) Short term benefits (continued)

Profit sharing and bonus payments are recognised when, and only when, the Group and the Company have a present legal or constructive obligation to make such payment as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefits (defined contribution plans)

The Group and the Company make statutory contributions to the approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Group and the Company have no further payment obligations.

(e) Tax assets and liabilities

A current tax liability/(asset) is measured at the amount the entity expects to pay/(recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

(f) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS"). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4. Material accounting policies (continued)

(g) Property, plant and equipment

All items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Leasehold plantation land and land use rights for plantation are stated at revalued amounts based on periodic valuations, with sufficient regularity, less subsequent depreciation. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. The Group makes an annual transfer of the revaluation reserve to retained profits at an amount equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost, net of tax.

Bearer plants of oil palms consist of accumulated plantation development costs incurred from land clearing to the point of maturity of the crop cultivated. Capitalisation of plantation development and other operating costs ceases upon commencement of commercial harvesting, which is approximately three (3) years. When a bearer crop has reached the end of its useful life and is replanted, the carrying amount of the old bearer plants are derecognised, and the costs of the new bearer plants are treated as a replacement of the old bearer plants and capitalised.

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use.

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of the property, plant and equipment over the term of their estimated useful lives. The principal annual rates of depreciation used are as follows:

Building and mill structure	10 – 50 years
Plantation infrastructure development expenditure	50 years
Palm oil mill and estate plant and machinery	10 – 12 years
Heavy equipment and motor vehicles	5 – 10 years
Furniture, fittings and equipment	5 – 12 years
Hotel renovations, plant and machinery	10 years

(h) Investment properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives of 10 to 93 years.

4. Material accounting policies (continued)

(i) Goodwill

Goodwill arising from a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(j) Plasma receivables

Plasma receivables are classified as financial assets carried at amortised cost under MFRS 9. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(o)(i).

(k) Biological assets

Biological assets comprise the produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

Biological assets are classified as current assets as it relates to produce on the bearer plants that are expected to be harvested at a date not more than twelve (12) months.

(l) Inventories

(i) Crude palm oil, palm kernel and milled oil palm produce

Cost of raw materials, direct labour and an appropriate proportion of production overheads, determined on the first-in, first-out basis.

(ii) Fresh fruit bunches, consumable stores, food, beverages, tobacco and operating supplies

Original cost of purchase, determined on the weighted average cost basis

(iii) Oil palm nurseries

Original cost of seedlings and upkeep expenses, determined on the weighted average cost basis.

4. Material accounting policies (continued)

(m) Financial instruments

(i) Financial assets

Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group and the Company only have financial assets at amortised cost (debt instruments) and financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Group's and the Company's financial assets at amortised cost include trade and other receivables and cash and bank balances.

(ii) Financial liabilities

The Group and the Company only have financial liabilities measured at amortised cost.

Financial liabilities measured at amortised cost

The Group's and the Company's financial liabilities measured at amortised cost include trade and other payables and loans and borrowings.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, at banks, deposits with licensed banks with maturity not exceeding three (3) months and short-term, highly liquid investments which are readily convertible to cash with short periods to maturity and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any.

(o) Impairment

(i) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

4. Material accounting policies (continued)

(o) Impairment (continued)

(i) Impairment of financial assets (continued)

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments considered to have low credit risk, the Group and the Company apply the low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group and the Company reassess the internal credit rating of the debt instrument.

In addition, the Group and the Company consider that there has been a significant increase in credit risk when contractual payments are more than one (1) year past due. It is the Group's and the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group and the Company consider a financial asset in default when contractual payments are one (1) year past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments that indicate that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

4. Material accounting policies (continued)

(p) Equity instruments

(i) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised as an appropriation of retained profits upon declaration, and are only taken up as liabilities upon the necessary approval being obtained.

(ii) Treasury shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

(q) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

All other borrowings costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

(r) Leases

Group as a lessee

<u>Right-of-use assets</u>

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

These assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

Leasehold plantation land	17 to 65 years
Other leasehold land	41 to 883 years
Land use rights for plantation	11 to 46 years
Buildings	2 years

4. Material accounting policies (continued)

(r) Leases (continued)

Group as a lessee (continued)

<u>Lease liabilities</u>

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

(s) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

(t) Fair value measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
(ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
(iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

5. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers				
Type of goods or services				
Sale of:				
- crude palm oil	425,927	381,909	-	-
- palm kernel	49,739	36,673	-	-
- fresh fruit bunches	11,980	19,622	-	-
Revenue from hotel operations:			-	-
- rooms	5,813	4,555	-	-
- food and beverages	4,388	4,537	-	-
	497,847	447,296	-	-
Revenue from other sources				
Dividend income	-	-	112,214	-
Management fees	-	-	6,312	5,556
	497,847	447,296	118,526	5,556
Timing of revenue recognition				
At a point in time	497,847	447,296	112,214	-
Over time	-	-	6,312	5,556
	497,847	447,296	118,526	5,556

There are no unfulfilled performance obligations, whether satisfied or partially satisfied, that require revenue recognition in subsequent periods.

The information on the disaggregation of revenue by geographical market is disclosed in Note 38 to the financial statements.

6. Other operating income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Gain on disposal of property, plant and equipment (Note 16)	944	-	-	-
Gain on disposal of subsidiary (Note 19)	1,402	-	-	-
Interest income:				
- Advances to subsidiaries	-	-	9,940	14,520
- Deposits with licensed banks	1,032	20	32	19
- Others	47	228	-	-
Management fees	1,430	1,083	-	-
Miscellaneous income	2,972	748	-	26
Rental income	410	394	-	-
Sale of:				
- empty fruit bunches, palm fibre and shell	2,977	2,186	-	-
- sludge oil	1,130	943	-	-
- scrapped iron	391	218	-	-
Unrealised gain on foreign exchange	3,346	-	-	19,584
	16,081	5,820	9,972	34,149

7. (Reversal of allowance)/Allowance for expected credit losses

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Allowance for expected credit losses: (Note 20)				
- Other receivables	-	500	-	-
Reversal of allowance for expected credit losses: (Note 20)				
- Trade receivables	(20)	(162)	-	-
	(20)	338	-	-

8. Other expenses

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Bad debts written off	-	-	206	-
Fair value loss on biological assets (Note 22)	1,043	382	-	-
Goodwill written off	1,753	-	-	-
Loss on disposal of assets held for sale (Note 25)	2,320	-	-	-
Loss on disposal of property, plant and equipment (Note 16)	-	593	-	-
Property, plant and equipment written off (Note 16)	182	-	-	-
Unrealised loss on foreign exchange	-	1,646	21,139	-
	5,298	2,621	21,345	-

9. Employee benefits expense

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Salaries, bonuses, and wages	72,808	70,412	3,605	2,850
Contributions to defined contribution plan	3,166	2,502	532	385
Employees Insurance System and Social Security contributions	1,150	765	29	28
Defined benefits plan (Note 29)	1,827	(390)	-	-
	78,951	73,289	4,166	3,263
Capitalised in bearer plants (Note 16)	5,205	2,354	-	-
Recognised in profit or loss	73,746	70,935	4,166	3,263
	78,951	73,289	4,166	3,263

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM3,912,000 (2023: RM2,208,000) and RM1,505,000 (2023: RM1,002,000) respectively as further disclosed in Note 10 to the financial statements.

10. Directors' remuneration

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of the Company				
Executive Directors' remuneration				
- Salaries, bonuses and other emoluments	3,901	2,197	1,494	991
- Fee	11	11	11	11
	3,912	2,208	1,505	1,002
Non-executive Directors' remuneration				
- Salaries, bonuses and other emoluments	369	452	369	452
- Fee	32	32	32	32
	401	484	401	484
	4,313	2,692	1,906	1,486

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of the Subsidiaries				
Non-executive Directors' remuneration				
- Salaries, bonuses and other emoluments	445	553	-	-
- Fee	180	180	-	-
	625	733	-	-
Total Directors' remuneration	4,938	3,425	1,906	1,486

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM13,675 (2023: RM10,000) and RM13,675 (2023: RM10,000) respectively.

11. Profit from operations

Other than as disclosed in Notes 6 to 10, profit from operations is arrived at after charging:	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Auditors' remuneration				
- Statutory audit				
- Current year	652	690	250	285
- Under provision in prior years	-	31	-	23
- Other services	64	116	6	56
Depreciation of				
- Investment properties (Note 17)	340	343	-	-
- Property, plant and equipment (Note 16)	63,318	54,346	53	64
Rental expenses*	469	600	109	104

* Expenses relating to short-term lease accounted for applying the recognition exception of MFRS 16 Leases. There are no material expense relating to low value assets.

12. Finance costs

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest expenses:				
- Bank overdrafts	189	212	27	36
- Bankers' acceptance	2,274	1,997	-	-
- Lease liabilities	502	540	-	-
- Revolving credit	6,710	9,084	4,253	6,471
- Term loans	19,330	20,309	1,967	4,210
- Interest charged by subsidiaries	-	-	3,818	3,819
- Others	444	840	7	-
	29,449	32,982	10,072	14,536
Less: Amount capitalised under property, plant and equipment (Note 16)	(63)	(761)	-	-
Less: Amount capitalised under other receivables under Plasma Scheme	-	(2,022)	-	-
	29,386	30,199	10,072	14,536

13. Income tax expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current income tax expense	12,340	9,018	128	148
Deferred tax (Note 21)	644	(2,796)	27	(7)
Real property gain tax	10,096	-	-	-
	23,080	6,222	155	141
(Over)/Under provision in prior year				
- Current income tax expense	(297)	702	(23)	(13)
- Deferred tax (Note 21)	(6,235)	395	-	(1)
	(6,532)	1,097	(23)	(14)
	16,548	7,319	132	127

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before taxation:	57,843	17,816	90,766	19,879
Taxation at Malaysian statutory tax rate of 24%	13,882	4,276	21,784	4,771
Tax effects of:				
Differences in tax rates in foreign jurisdictions	(1,494)	(346)	-	-
Non-deductible expenses	1,072	5,625	5,302	3,555
Non-taxable income	(288)	(3,761)	(26,931)	(8,185)
Real property gain tax	10,096	-	-	-
Effect of unrecognised temporary differences/ (Utilisation of previously			-	-
unrecognised temporary differences	(188)	428	-	-
	23,080	6,222	155	141
(Over)/Under provision in prior year				
- Current income tax expense	(297)	702	(23)	(13)
- Deferred tax	(6,235)	395	-	(1)
	(6,532)	1,097	(23)	(14)
	16,548	7,319	132	127

14. Other comprehensive income

	Group	
	2024 RM'000	2023 RM'000
Items that will not be reclassified subsequently to Profit or Loss		
Revaluation of property, plant and equipment	-	9,133
Less: Deferred tax (Note 21)	-	(4,058)
	-	5,075
Items that will be reclassified subsequently to Profit or Loss		
Employee defined benefit liabilities:		
- changes during the financial year	527	(16)
Foreign currency translation:		
- changes during the financial year	(13,915)	10,594
	(13,388)	10,578
Total other comprehensive income	(13,388)	15,653

15. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing profit for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

	Group	
	2024	2023
Profit net of tax attributable to owners of the Company (RM'000)	41,030	9,582
Weighted average number of ordinary shares in issue* ('000)	116,755	116,863
Basic earnings per share (sen)	35.14	8.20

* The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares transactions during the financial year.

15. Earnings per share (continued)

(b) Diluted

There is no dilution in the earnings per share of the current and previous financial year end as there are no dilutive potential ordinary shares outstanding at the end of the respective reporting period.

16. Property, plant and equipment

Group **2024**	**At cost RM'000**	**At valuation RM'000**	**Accumulated depreciation RM'000**	**Net book value RM'000**
Property, plant and equipment owned				
Buildings and mill structure	134,439	-	(78,504)	55,935
Bearer plants	609,188	-	(210,450)	398,738
Plantation infrastructure development expenditure	39,593	-	(17,221)	22,372
Palm oil mill and estate plant and machinery	68,654	-	(45,223)	23,431
Heavy equipment and motor vehicles	71,976	-	(50,096)	21,880
Furniture, fittings and equipment	17,907	-	(14,333)	3,574
Hotel renovations, plant and machinery	23,103	-	(10,505)	12,598
Capital work-in-progress	13,231	-	-	13,231
	978,091	-	(426,332)	551,759
Right-of-use assets				
Leasehold plantation land	-	360,741	(180,886)	179,855
Other leasehold land	37,691	-	(3,828)	33,863
Land use rights for plantation	-	137,855	(24,387)	113,468
Buildings	248	-	(248)	-
	37,939	498,596	(209,349)	327,186
Total property, plant and equipment	1,016,030	498,596	(635,681)	878,945

16. Property, plant and equipment (continued)

Group **2023**	**At cost RM'000**	**At valuation RM'000**	**Accumulated depreciation RM'000**	**Net book value RM'000**
<u>Property, plant and equipment owned</u>				
Buildings and mill structure	137,121	-	(76,762)	60,359
Bearer plants	635,943	-	(195,323)	440,620
Plantation infrastructure development expenditure	39,915	-	(16,749)	23,166
Palm oil mill and estate plant and machinery	61,349	-	(43,932)	17,417
Heavy equipment and motor vehicles	74,455	-	(52,959)	21,496
Furniture, fittings and equipment	18,100	-	(13,987)	4,113
Hotel renovations, plant and machinery	21,277	-	(9,847)	11,430
Capital work-in-progress	14,652	-	-	14,652
	1,002,812	-	(409,559)	593,253
<u>Right-of-use assets</u>				
Leasehold plantation land	-	360,741	(177,360)	183,381
Other leasehold land	17,980	-	(3,593)	14,387
Land use rights for plantation	-	195,984	(22,793)	173,191
Buildings	248	-	(172)	76
	18,228	556,725	(203,918)	371,035
Total property, plant and equipment	1,021,040	556,725	(613,477)	964,288

16. **Property, plant and equipment** (continued)

Group

Net book value	At 1 January RM'000	Exchange differences RM'000	Additions RM'000	Disposals RM'000	Disposals of subsidiary RM'000	Written off RM'000	Reclassification RM'000	Depreciation charge (Note 11) RM'000	At 31 December RM'000
2024									
Property, plant and equipment owned									
Buildings and mill structure	60,359	(2,593)	311	(438)	(541)	(22)	4,396	(5,537)	55,935
Bearer plants	440,620	(18,055)	32,881	-	(20,408)	-	-	(36,300)	398,738
Plantation infrastructure development expenditure	23,166	(524)	504	-	(6)	-	175	(943)	22,372
Palm oil mill and estate plant and machinery	17,417	(770)	355	-	(240)	(2)	9,445	(2,774)	23,431
Heavy equipment and motor vehicles	21,496	(937)	4,977	(739)	-	(84)	1,644	(4,477)	21,880
Furniture, fittings and equipment	4,113	(171)	842	-	(91)	(5)	-	(1,114)	3,574
Hotel renovations, plant and machinery	11,430	-	2,385	-	-	(69)	-	(1,148)	12,598
Capital work-in-progress	14,652	(1,040)	15,398	-	(119)	-	(15,660)	-	13,231
	593,253	(24,090)	57,653	(1,177)	(21,405)	(182)	-	(52,293)	551,759

16. **Property, plant and equipment** (continued)

Group Net book value	At 1 January RM'000	Exchange Differences RM'000	Additions RM'000	Disposals RM'000	Disposals of subsidiary RM'000	Written off RM'000	Reclassification RM'000	Depreciation charge (Note 11) RM'000	At 31 December RM'000
2024									
Right-of-use assets									
Leasehold plantation land	183,381	-	19,711	-	-	-	-	(3,526)	199,566
Other leasehold land	14,387	-	-	-	-	-	-	(235)	14,152
Land use rights for plantation	173,191	(5,605)	20	-	(46,947)	-	-	(7,191)	113,468
Buildings	76	(3)	-	-	-	-	-	(73)	-
	371,035	(5,608)	19,731	-	(46,947)	-	-	(11,025)	327,186
Total property, plant and equipment	964,288	(29,698)	77,384	(1,177)	(68,352)	(182)	-	(63,318)	878,945

16. Property, plant and equipment (continued)

Group Net book value	At 1 January RM'000	Exchange Differences RM'000	Additions RM'000	Disposals RM'000	Reclassification RM'000	Revaluation surplus RM'000	Depreciation charge (Note 11) RM'000	Classified as held for sale (Note 25) RM'000	At 31 December RM'000
2023									
Property, plant and equipment owned									
Buildings and mill structure	63,082	2,153	642	-	1,102	-	(5,941)	(679)	60,359
Bearer plants	442,556	14,330	21,118	-	(5,259)	-	(23,760)	(8,365)	440,620
Plantation infrastructure development expenditure	30,814	415	137	-	322	-	(1,045)	(7,477)	23,166
Palm oil mill and estate plant and machinery	17,557	592	984	(26)	1,029	-	(2,719)	-	17,417
Heavy equipment and motor vehicles	20,142	640	6,622	(2,062)	1,605	-	(5,222)	(229)	21,496
Furniture, fittings and equipment	4,088	116	1,028	(14)	95	-	(1,135)	(65)	4,113
Hotel renovations, plant and machinery	8,050	-	4,280	-	-	-	(900)	-	11,430
Capital work-in-progress	9,382	376	12,715	(2,832)	(4,185)	-	-	(804)	14,652
	595,671	18,622	47,526	(4,934)	(5,291)	-	(40,722)	(17,619)	593,253

16. Property, plant and equipment (continued)

Group

Net book value	At 1 January RM'000	Exchange Differences RM'000	Additions RM'000	Disposals RM'000	Reclassification RM'000	Revaluation surplus RM'000	Depreciation charge (Note 11) RM'000	Classified as held for sale (Note 25) RM'000	At 31 December RM'000
2023									
Right-of-use assets									
Leasehold plantation land	345,891	-	-	-	-	(9,313)	(5,704)	(147,493)	183,381
Other leasehold land	14,644	-	-	-	-	-	(257)	-	14,387
Land use rights for plantation	157,085	4,940	252	-	-	18,446	(7,532)	-	173,191
Buildings	196	11	-	-	-		(131)	-	76
	517,816	4,951	252	-	-	9,133	(13,624)	(147,493)	371,035
Total property, plant and equipment	1,113,487	23,573	47,778	(4,934)	(5,291)	9,133	(54,346)	(165,112)	964,288

16. Property, plant and equipment (continued)

Company	Office renovation RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Cost			
At 1 January 2023	663	873	1,536
Additions	4	3	7
At 31 December 2023	667	876	1,543
Additions	-	11	11
Expensed off	(4)	-	(4)
	663	887	1,550
Accumulated depreciation			
At 1 January 2023	158	751	909
Charge for the financial year (Note 11)	26	38	64
At 31 December 2023	184	789	973
Charge for the financial year (Note 11)	26	27	53
At 31 December 2024	210	816	1,026
Net book value			
At 31 December 2023	483	87	570
At 31 December 2024	453	71	524

Leased assets of the Group pledged as security for the related lease liabilities as disclosed in Note 30 to the financial statements are as follows:

Group	At cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
2024			
Heavy equipment and motor vehicles	10,825	(2,708)	8,117
Palm oil mill and estate plant and machinery	2,177	(350)	1,827
	13,002	(3,058)	9,944
2023			
Heavy equipment and motor vehicles	11,512	(2,689)	8,823
Palm oil mill and estate plant and machinery	1,532	(174)	1,358
	13,044	(2,863)	10,181

16. **Property, plant and equipment** (continued)

The net carrying amount of property, plant and equipment (including right-of-use assets) of the Group pledged to licensed banks to secure the loans and borrowings granted to the Group as disclosed in Note 30 to the financial statements are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Buildings and mill structure	53,308	57,653
Leasehold plantation land	179,855	183,381
Land use rights for plantation	102,173	110,169
Other leasehold land	14,152	14,387
	349,488	365,590

During the previous financial year, the Group's leasehold plantation land and land use rights for plantation were revalued by independent professional valuers. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income as disclosed in Note 14 to the financial statements and accumulated in equity under the revaluation reserve.

The fair values of the leasehold plantation land and land use rights are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognized professional qualifications. The most significant input into this valuation approach is the price per hectare of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

If the leasehold plantation land and land use rights for plantation were measured using the cost model, the carrying amounts would be as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Cost	118,758	115,756
Less: Accumulated depreciation	(30,491)	(30,356)
	88,267	85,400

Included in the bearer plants are the following expenses which have been capitalised during the financial year:

	Group	
	2024 RM'000	**2023 RM'000**
Interest expense (Note 12)	63	761
Depreciation of property, plant and equipment	868	1,427
Staff costs (Note 9)	5,205	2,354

17. Investment properties

Group	Land use right RM'000	Leasehold land RM'000	Total RM'000
Cost			
At 1 January 2023/ 31 December 2023 31 December 2024	4,494	11,726	16,220
Accumulated depreciation			
At 1 January 2023	685	878	1,563
Charge for the financial year (Note 11)	152	191	343
At 31 December 2023	837	1,069	1,906
Charge for the financial year (Note 11)	152	188	340
At 31 December 2024	989	1,257	2,246
Net book value			
At 31 December 2023	3,657	10,657	14,314
At 31 December 2024	3,505	10,469	13,974
Fair value	4,075	14,795	18,870

Certain investment properties of the Group with carrying amount of RM3,505,000 (2023: RM3,657,000) are registered under the name of the third party and held in trust on behalf of the Group.

The fair values of the investment properties are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed during the previous financial year ended 31 December 2023 by independent professional valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

The followings are recognised in profit or loss in respect of investment properties:

	Group 2024 RM'000	2023 RM'000
Rental income	169	130
Direct operating expenses	(23)	(23)

18. Goodwill

	Group	
	2024 RM'000	2023 RM'000
At 1 January	32,520	32,418
Exchange differences	(127)	102
Written off (Note 8)	(1,753)	-
At 31 December	30,640	32,520

The carrying amount of goodwill allocated to each cash-generating unit are as follows:

	Group	
	2024 RM'000	2023 RM'000
Plantation and milling segment in:		
- Malaysia	3,179	4,932
- Indonesia	27,461	27,588
At 31 December	30,640	32,520

Impairment testing of goodwill

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from each cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	Group	
	2024	2023
CPO per metric tonne ("MT")	RM3,900	RM3,610
PK per MT	RM2,479	RM1,930
Discount rates	10%	10%

(i) CPO and PK prices are based on the current market outlook of product prices relating to the CGU.

(ii) Discount rates used for cash flows discounting purpose is the Group's weighted average cost of capital.

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the plantation segment, management believes that any reasonable possible change in any of the above key assumptions applied is unlikely to materially cause the recoverable amounts to be lower than the carrying values of the CGU.

19. Investments in subsidiaries

	Company 2024 RM'000	Company 2023 RM'000
Unquoted shares, at cost		
At 1 January	165,701	165,407
Addition	-	294
At 31 December	165,701	165,701

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of subsidiary	Principal place of business and country of incorporation	Proportion of ownership interest 2024 %	Proportion of ownership interest 2023 %	Principal activities
Held by the Company				
Agrisa Trading Sdn. Bhd.	Malaysia	100	100	Oil palm plantation
Berkat Setia Sdn. Bhd.	Malaysia	100	100	Oil palm plantation and palm oil mill
Ballerina Sdn. Bhd.	Malaysia	100	100	Property letting
Dat Soon Trading Sendirian Berhad	Malaysia	100	100	Trading of fresh fruit bunches
Growth Entreprise Sendirian Berhad	Malaysia	100	100	Oil palm plantation
Intan Ramai Sdn. Bhd.	Malaysia	100	100	Oil palm plantation
Kian Merculaba Sdn. Bhd.	Malaysia	100	100	Oil palm plantation
Kidat Sendirian Berhad	Malaysia	100	100	Transportation services
Sinar Ramai Sdn. Bhd.	Malaysia	100	100	Oil palm plantation
Seraya Plantation Sdn. Bhd.	Malaysia	100	100	Dormant
Syarikat Emashijau Sdn. Bhd.	Malaysia	100	100	Management services
Syarikat Sofrah Sdn. Bhd.	Malaysia	100	100	Durian plantation
Transglobe Enterprise Sdn. Bhd.	Malaysia	100	100	Investment holding
Wenow Enterprise Sdn. Bhd.	Malaysia	100	100	Trading on fresh fruit bunches
The Palace Ventures Sdn. Bhd.	Malaysia	100	100	Hotelier
Miracle Display Sdn. Bhd.	Malaysia	100	100	Dormant
Bintang Kinabalu Plantation Sdn. Bhd.	Malaysia	100	100	Investment holding
Banggi Setia Bhd. Bhd.	Malaysia	100	100	Dormant
Miasa Plantation Sdn. Bhd.	Malaysia	100	100	Investment holding

19. Investments in subsidiaries (continued)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows: (continued)

Name of subsidiary	Principal place of business and country of incorporation	Proportion of ownership interest 2024 %	2023 %	Principal activities
Held by the Company				
Natural Plantation Sdn. Bhd.	Malaysia	100	100	Dormant
Permata Alam Sdn. Bhd.	Malaysia	100	100	Investment holding
Berkat Banggi Sdn. Bhd.	Malaysia	100	100	Dormant
Sungai Kenali Sdn. Bhd.	Malaysia	100	100	Oil palm plantation
Held through Berkat Setia Sdn. Bhd.				
Best Borneo Oil Palm Resources Sdn. Bhd.	Malaysia	70	70	Dormant @
Held through Growth Enterprise Sdn. Bhd.				
Telupid Kelapa Sawit Sdn. Bhd.	Malaysia	70	70	Investment holding
Held through Telupid Kelapa Sawit Sdn. Bhd.				
Bonus Indah Sdn. Bhd.	Malaysia	70	70	Oil palm plantation
Held through Kidat Sendirian Berhad				
Pedoman Hasil Sdn. Bhd.	Malaysia	100	100	Dormant
Held through The Palace Ventures Sdn. Bhd.				
Big Bright Realty Sdn. Bhd.	Malaysia	100	100	Dormant @
Held through Bintang Kinabalu Plantation Sdn. Bhd.				
PT Borneo Indo Subur (Formerly known as PT Borneo Utama Berkat Setia)^	Indonesia	100*	100*	Oil palm plantation
Held through Miasa Plantation Sdn. Bhd.				
PT Sawit Nusantara Makmur Utama^	Indonesia	100	100	Investment holding
PT Berau Utama Berkatsetia#	Indonesia	100	-	Investment holding

19. Investments in subsidiaries (continued)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows: (continued)

Name of subsidiary	Principal place of business and country of incorporation	Proportion of ownership interest 2024 %	2023 %	Principal activities
Held through PT Sawit Nusantara Makmur Utama				
PT Nala Palma Cadudasa^	Indonesia	100**	100**	Oil palm plantation and palm oil mill
PT Enggang Alam Sawita^	Indonesia	-	100**	Oil palm plantation
PT Hamparan Sentosa^	Indonesia	100***	100***	Oil palm plantation
PT Sumber Alam Selaras^	Indonesia	100**	100**	Oil palm plantation

^ Audited by firm of auditors other than PKF PLT
# No legal requirement to appoint auditors
@ Striking off
* Includes 5% equity interest held through the Company
** Includes 5% equity interest held through Miasa Plantation Sdn. Bhd.
*** Includes 1% equity interest held through Miasa Plantation Sdn. Bhd.

Acquisition of subsidiary company

2023

During the previous financial year, the Company has subscribed for 99,997 new ordinary shares in Wenow Enterprise Sdn. Bhd. for a cash consideration of RM99,997.

2024

During the current financial year, the Group, through its subsidiary, Miasa Plantation Sdn Bhd acquired 100% equity interest in PT Berau Utama Berkatsetia for consideration of RM149,500 equivalent of Indonesian Rp 500,000. This acquisition was satisfied by way of assuming debt by the subsidiary of a corresponding amount owed by the former shareholders to the acquiree. No goodwill was recognised at the Group as the remaining net assets of the acquiree is negligible.

19. Investments in subsidiaries (continued)

Acquisition of non-controlling interests in a subsidiary

2023

During the previous financial year, the Group has acquired from its non-controlling interest additional equity interest as follows:

Acquirer	Acquiree	Equity Interest acquired %	Consideration RM'000
The Company			
NPC Resources Berhad	PT Borneo Utama Berkat Setia	5	194
Subsidiary			
Masa Plantation Sdn. Bhd.	PT Sawit Nusantara Makmur Utama	5	3
	PT Nala Palma Cadudasa Cadudasa	5	8,967
	PT Enggang Alam Sawita	5	5,927
	PT Hamparan Sentosa	1	513
	PT Sumber Alam Selaras	5	598
			16,008

19. Investments in subsidiaries (continued)

Disposal of a subsidiary

2024

During the current financial year, the Group, through its subsidiary PT Berau Utama Berkatsetia has disposed of its entire equity interest in PT Enggang Alam Sawita for RM30,282,859 in cash.

The financial effects of the disposal at the date of disposal are summarised below:

	Group RM'000	PT Berau Utama Berkatsetia RM'000
Investment in a subsidiary	-	38,674
Incidental costs	204	204
Property, plant and equipment	32,515	-
Inventories	251	-
Trade and other receivables	10,393	-
Cash and bank balances	7	-
Trade and other payables	(48,917)	-
Deferred tax liabilities	(295)	-
Consolidation and revaluation adjustments	34,722	-
Carrying amount of net assets disposed of	28,880	38,878
Gain/(Loss) on disposal of subsidiary	1,402	(8,596)
Consideration received, satisfied in cash	30,282	30,282
Less: Cash and bank balances of subsidiary disposed of	(7)	-
Net cash inflow from the disposal of subsidiary	30,275	30,282

Non-controlling interests in subsidiaries

The financial information of the subsidiaries of the Group that have non-controlling interests ("NCI") is as follows:

Equity interest held by material non-controlling interests are as follows:

Name of subsidiary company	Country of incorporation	Ownership interest 2024 %	2023 %
Telupid Kelapa Sawit Sdn. Bhd. and its subsidiary	Malaysia	30	30

Carrying amount of material NCI:

Name of subsidiary company	2024 RM'000	2023 RM'000
Telupid Kelapa Sawit Sdn. Bhd. and its subsidiary	(5,228)	20,801

19. Investments in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

(Loss)/Profit allocated to material NCI:

Name of subsidiary company	2024 RM'000	2023 RM'000
Telupid Kelapa Sawit Sdn. Bhd. and its subsidiary	(263)	628

Total comprehensive income allocated to material NCI:

Name of subsidiary company	2024 RM'000	2023 RM'000
Telupid Kelapa Sawit Sdn. Bhd. and its subsidiary	-	-

Summarised financial information of material NCI

The summarised financial information (before intra-company elimination) of the subsidiary that has material NCI is as follows:

Telupid Kelapa Sawit Sdn. Bhd. and its subsidiary	2024 RM'000	2023 RM'000
Summarised statement of profit or loss and other comprehensive income		
Revenue	9,632	11,458
Dividend income	85,888	-
Profit for the financial year	85,012	2,093
Total comprehensive loss for the financial year	85,012	2,093
Summarised statement of financial position		
Non-current assets	15,895	15,897
Current assets	16,035	109,914
Non-current liabilities	(2)	(23,973)
Current liabilities	(108)	(3,218)
Net assets	31,820	98,620
Summarised cash flows information		
Net cash from operating activities	85,841	5,975
Net cash from/(used in) investing activities	85,888	(2,548)
Net cash used in financing activities	(171,697)	(3,323)
Net increase in cash and cash equivalents	32	104
Dividend paid to non-controlling interests	(25,767)	-

20. Trade and other receivables

	Group		Company	
		Restated		
	2024	2023	2024	2023
Non-current	RM'000	RM'000	RM'000	RM'000
Other receivables				
Foreign companies pending completion of acquisitions:				
- Deposits paid for purchase consideration and incidental costs	4,798	4,798	-	-
- Advances for working capital	6,756	6,756	-	-
Advance for Plasma Scheme	15,410	36,812	-	-
	26,964	48,366	-	-
Less: Allowance for expected credit losses	(12,227)	(12,227)	-	-
Other receivables, net	14,737	36,139	-	-
Current				
Trade receivables				
Third parties	6,597	8,606	-	-
Less: Allowance for expected credit losses	(762)	(782)	-	-
Trade receivables, net	5,835	7,824	-	-
Other receivables				
Amounts due from subsidiaries	-	-	509,799	619,409
Advances to contractors	151	224	-	-
Deposits	5,592	3,200	227	180
Prepayments	3,468	2,947	1	18
Third parties	22,125	8,853	1,522	52
	31,336	15,224	511,549	619,659
Less: Allowance for expected credit losses	(2,218)	(2,218)	(55,953)	(55,953)
Other receivables, net	29,118	13,006	455,596	563,706
Trade and other receivables, current	34,953	20,830	455,596	563,706
Total trade and other receivables	49,690	56,969	455,596	563,706

20. Trade and other receivables (continued)

Non-current

Advance for Plasma Scheme involves initiation by the government of the Republic of Indonesia requires companies involved in plantation development to provide support to develop and cultivate oil palm lands for local communities in oil palm plantations as part of their social obligation which are known as Plasma Schemes.

The Group assumes responsibility for developing oil palm plantations to the productive stage. When the plantation is at its productive stage, it is considered to be completed and is transferred to the plasma farmers (conversion of plasma plantations). All costs incurred will be reviewed by the relevant authorities and the Group will be reimbursed for all approved costs which are financed by the Group.

The plasma farmers sell all harvest to the Group at a price determined by the Government, which approximates the market price. Part of the proceeds will be distributed to the plasma farmers with the residual retained by the Group as payment for all approved cost financed by the Group.

Plasma receivables represent costs incurred for the development of plasma plantations which include expenses financed by the bank and which are temporarily self-financed by the Company for those who are still waiting for funding from the bank.

Plasma receivables also include bailout loans, fertiliser loans and other agricultural production facilities to farmers. These loans will be billed back to the plasma farmers.

Current

Trade receivables are interest free and are generally on 7 to 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the amount due from subsidiaries is an amount of RM509,570,000 (2023: RM617,154,000) which earns interest at rates ranging from 0.71% to 2.36% (2023: 2.16% to 2.59%) per annum. The amount owing is unsecured and is to be settled in cash.

During the financial year, the following (gains)/losses were recognised in profit or loss in relation to impaired financial assets:

Group	Trade receivables RM'000	Other receivables RM'000	Total RM'000
At 1 January 2023	944	13,945	14,889
Charge for the financial year (Note 7)	-	500	500
Reversal during the financial year (Note 7)	(162)	-	(162)
At 31 December 2023	782	14,445	15,227
Reversal during the financial year (Note 7)	(20)	-	(20)
At 31 December 2024	762	14,445	15,207

20. Trade and other receivables (continued)

During the financial year, the following (gains)/losses were recognised in profit or loss in relation to impaired financial assets: (continued)

Company	Trade receivables RM'000	Other receivables RM'000	Total RM'000
At 1 January 2023/31 December 2023/ 31 December 2024	-	55,953	55,953

Information about the Group's exposure to credit risks and impairment losses for trade receivables is included in Note 35 to the financial statements.

21. Deferred tax

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	128,877	126,950	19	27
Exchange differences	(132)	270	-	-
Disposal of assets held for sale	(31,105)	-	-	-
Disposal of subsidiary	(4,387)	-	-	-
Recognised in profit or loss (Note 13)	(5,591)	(2,401)	27	(8)
Recognised in other comprehensive income (Note 14)	-	4,058	-	-
At 31 December	87,662	128,877	46	19

The components of deferred tax assets and liabilities as at the end of the financial year prior to offsetting are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets				
Unutilised tax losses	771	351	-	-
Unabsorbed agriculture and capital allowance	23,757	7,881	-	-
	24,528	8,232		
Deferred tax liabilities				
Property, plant and equipment	(110,626)	(135,397)	(46)	(19)
Biological assets	(1,564)	(1,712)	-	-
	(112,190)	(137,109)	(46)	(19)
	(87,662)	(128,877)	(46)	(19)

21. **Deferred tax** (continued)

Presented after appropriate offsetting as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets	(289)	(230)	-	-
Deferred tax liabilities	87,951	129,107	46	19
	87,662	128,877	46	19

No deferred tax assets have been recognised for the following items:

	Group	
	2024 RM'000	2023 RM'000
Unutilised tax losses	90,864	90,864
Unabsorbed agriculture and capital allowance	16,293	17,076
	107,157	107,940
Tax rate	24%	24%
Deferred tax assets not recognised	25,718	25,906

Year of expiry of unutilised tax losses is analysed as follows:

	Group	
	2024 RM'000	2023 RM'000
Expiry by 2028	61,167	61,167
Expiry by 2029	9,200	9,705
Expiry by 2030	8,760	8,760
Expiry by 2031	3,429	3,430
Expiry by 2032	5,589	5,505
Expiry by 2033	4,193	3,760
Expiry by 2034	1,739	-
	94,077	92,327
Tax rate	24%	24%
	22,578	22,158

The unabsorbed capital allowances disclosed above are available indefinitely for offsetting against future taxable profits of the Group whereas the unutilised tax losses is available to be carried forward up to the maximum of ten (10) years, subject to no substantial change in shareholdings of these subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

22. Biological assets

At fair value	Group 2024 RM'000	Group 2023 RM'000
At 1 January	7,559	7,941
Fair value loss (Note 8)	(1,043)	(382)
At 31 December	6,516	7,559

The biological assets of the Group comprise unharvested agriculture produce of bearer plants, i.e. fresh fruit bunches ("FFBs"). To arrive at the fair value of FFB, the management has considered the oil content of the unripe FFB and derived at the assumption that the net cash flows to be generated from FFB prior to more than six (6) weeks to harvest is negligible, therefore quantity of unripe FFB on bearer plants of up to six (6) weeks prior to harvest was used for valuation purpose. The quantity of unharvested FFB of the Group as at 31 December 2024 included in the fair valuation of FFB was 31,971 metric tonne (2023: 37,448 metric tonne). The fair value of FFB prior to harvest is computed based on market approach and takes into consideration the market price of harvested FFB, adjusted to the estimated oil content of unharvested FFB less harvesting, transportation costs, windfall profit levy and other costs to sell.

The relationship of the unobservable inputs to changes in fair value, with all other variables held constant is as follows:

Group	Fair value gain/(loss)			
	2024		2023	
Unobservable inputs	Increase by 10% RM'000	Decrease by 10% RM'000	Increase by 10% RM'000	Decrease by 10% RM'000
FFB price	1,020	(1,020)	1,181	(1,181)
Production volume	690	(690)	756	(756)
Harvest and transportation costs	(296)	296	(360)	361

23. Inventories

At cost	Group 2024 RM'000	Group 2023 RM'000
Crude palm oil and palm kernel	5,197	6,778
Fresh fruit bunches	-	46
Oil palm nurseries	3,101	3,171
Food, beverages and tobacco	72	78
Hotel consumables	197	153
Consumable store	18,288	16,656
At 31 December	26,855	26,882

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM304,961,239 (2023: RM265,604,931).

24. Cash and cash equivalents

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash in hand and at banks	32,353	12,244	3,951	5,447
Deposits with licensed banks	9,439	9,468	-	-
Cash and bank balances	41,792	21,712	3,951	5,447
Less: Bank overdrafts (Note 30)	(1,087)	(8,704)	(22)	(990)
Deposits pledged as securities for banking facilities and fixed deposits with maturity of more than three (3) months	(9,433)	(9,462)	-	-
Cash and cash equivalents	31,272	3,546	3,929	4,457

The deposits with licensed banks of the Group at the end of the reporting period bore effective interest at rates ranging from 2.30% to 2.50% (2023: 1.56% to 3.00%) per annum.

Included in the deposits with licensed banks of the Group at the end of the reporting period was an amount of RM9,433,000 (2023: RM9,462,000) which has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 30 to the financial statements.

25. Assets classified as held for sale

On 15 March 2024, Berkat Setia Sdn. Bhd., Bonus Indah Sdn. Bhd. and Kian Merculaba Sdn. Bhd., the subsidiaries of the Company, entered into Sale and Purchase Agreements with Sungei Mangis Plantation Sdn. Bhd., a wholly-owned subsidiary of Tamaco Plantation Sdn. Bhd., to dispose of 13 parcels of oil palm plantation land for a total sale consideration of RM165.1 million to be satisfied in cash.

The disposal was completed on 18 December 2024 with the purchase consideration paid in full by the Purchaser and resulted in a loss of approximately RM2.2 million to the Group.

The disposal had the following effects on the financial statements of the Group:

	2024 RM'000
Net assets disposed	165,112
Total disposal proceeds settled by cash	165,112
Less: Directly attributable costs	(2,320)
	162,792
Loss on disposal to the Group (Note 8)	(2,320)

26. Share Capital

	No. of ordinary shares		Group/Company	
	2024	2023	2024	2023
	'000	'000	RM'000	RM'000
Issued and fully paid:				
At 1 January/31 December	120,000	120,000	120,000	120,000

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

27. Treasury Shares

Of the total 120,000,000 (2023: 120,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 3,305,900 (2023: 3,137,200) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

28. Reserves

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-distributable reserves				
- Foreign exchange translation reserve	(27,187)	(13,303)	-	-
- Revaluation reserve	134,840	237,792	-	-
	107,653	224,489	-	-
Distributable reserves				
- Retained profits	413,195	233,238	136,669	46,035
	520,848	457,727	136,669	46,035

Retained profits

The Group's and the Company's policy is to treat all gains and losses that pass through the statements of profit or loss and other comprehensive income (i.e. non-owner transactions or events) as revenue reserves. Other than retained profits, all other revenue reserves are regarded as non-distributable in the form of cash dividends to shareholders. Accumulated losses are the opposite of retained profits and when an entity is in an accumulated loss position, it is prohibited from distributing cash dividends to shareholders.

Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

28. **Reserves** (continued)

Revaluation reserve

The revaluation reserve represents the increase in the fair value of leasehold plantation land and land use rights for plantation of the Group (net of deferred tax, where applicable) presented under property, plant and equipment.

29. Employee defined benefit liabilities

The subsidiaries in Indonesia make contribution to defined benefit schemes that provide pension benefits for employees upon retirement. Under the schemes, the benefits payable are determined based on the length of service and the last drawn monthly salary.

The movement during the financial year and the amounts recognised in the financial statements are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Present value of obligations (non-current)		
At 1 January	4,139	4,081
<u>Recognised in profit or loss</u>		
Interest expense	81	211
Current service cost	1,385	725
Past service cost	1,055	(808)
Net liability released due to employee transferred out	25	(36)
Benefits paid out	(1,465)	(482)
Disposal of subsidiary	746	-
	1,827	(390)
<u>Recognised in other comprehensive income</u>		
Actuarial changes in financial assumptions	(160)	82
Experience adjustments	(367)	(66)
	(527)	16
Exchange differences	(323)	432
At 31 December	5,116	4,139

The principal actuarial assumptions used at the end of the reporting period are as follows:

	Group	
	2024	**2023**
Discount rate	7.05% to 7.15%	6.60% to 6.90%
Expected rate of return	6.00%	6.00%

30. Loans and borrowings

	Group		Company	
	2024	2023	2024	2023
Non-current	RM'000	RM'000	RM'000	RM'000
Secured:				
Lease liabilities	3,318	3,290	-	-
Term loans	165,578	215,251	-	36,465
	168,896	218,541	-	36,465
Current				
Secured:				
Bank overdrafts	1,087	8,704	22	990
Bankers' acceptances	11,986	39,938	-	-
Revolving credit	19,945	120,655	7,445	73,313
Lease liabilities	3,234	2,500	-	-
Term loans	29,154	55,352	-	29,730
	65,406	227,149	7,467	104,033
Total loans and borrowings				
Secured:				
Bank overdrafts	1,087	8,704	22	990
Bankers' acceptances	11,986	39,938	-	-
Revolving credit	19,945	120,655	7,445	73,313
Lease liabilities	6,552	5,790	-	-
Term loans	194,732	270,603	-	66,195
	234,302	445,690	7,467	140,498
Maturity structure of loans and borrowings				
Within one year	65,406	227,149	7,467	104,033
Between one to two years	35,834	40,605	-	18,912
Between two to five years	116,090	97,326	-	17,553
More than five years	16,972	80,610	-	-
	234,302	445,690	7,467	140,498

30. Loans and borrowings (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Effective interest rate per annum				
Bank overdraft	6.70% to 7.95%	6.70% to 7.70%	6.70%	6.70%
Bankers' acceptances	5.51% to 5.93%	5.60% to 5.93%	-	-
Revolving credit	5.01% - 6.41%	4.81% to 9.01%	5.01% - 6.41%	5.05% to 9.01%
Lease liabilities	3.82% to 14.54%	2.86% to 14.54%	-	-
Term loans	4.52% to 8.25%	4.11% to 8.50%	-	4.85% to 5.79%

The loans and borrowings are secured by the followings:

(i) Fixed charge over certain leasehold land and buildings, and leased assets of the Group as disclosed in Note 16 to the financial statements;
(ii) Debentures over certain subsidiaries' fixed and floating assets, both present and in the future;
(iii) Joint and several guarantees provided by certain Directors of the Company;
(iv) Deposits with licensed banks as disclosed in Note 24 to the financial statements; and
(v) Corporate guarantees by the Company.

31. Trade and other payables

	Group		Company	
	2024 RM'000	Restated 2023 RM'000	2024 RM'000	2023 RM'000
Trade payables				
Third parties	39,538	45,276	-	-
Other payables				
Amounts due to subsidiaries	-	-	368,602	433,249
Accruals	12,520	21,947	588	1,004
Deposits	3,548	12,474	-	-
Third parties	17,725	11,061	223	2,095
Value-added tax payable in Indonesia	12,998	28,497	-	-
	46,791	73,979	369,413	436,348
Total trade and other payables	86,329	119,255	369,413	436,348

31. Trade and other payables (continued)

Trade payables are interest free and the normal credit terms granted to the Group are 30 to 90 days.

Included in the amount due to subsidiaries is an amount of RM73,271,000 (2023: RM149,935,000) which bears interest at rate of 2.81% (2023: 1.67%) per annum. The amount owing is unsecured and is to be settled in cash.

32. Significant related party transactions

(a) Identities of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

(b) Related parties' transactions and outstanding balances

The aggregate value of transactions of the related parties of the Group and of the Company were as follows:

Name of related parties	Type of transactions	Transaction value 2024 RM'000	2023 RM'000
Group			
Companies in which Dato' Loo Pang Kee is a Director and has financial interests:			
Jubilant Ventures Sdn. Bhd.	Interest expenses	12	113
Company			
Subsidiaries:			
Agrisa Trading Sdn. Bhd.	Management fee income	(222)	(193)
	Interest expenses	56	116
Ballerina Sdn. Bhd.	Rental expenses	90	90
Berkat Setia Sdn. Bhd.	Management fee income	(2,655)	(2,357)
	Interest expenses	3,750	3,590
Bonus Indah Sdn. Bhd.	Management fee income	(803)	(710)
Growth Enterprise Sendirian Berhad	Management fee income	(98)	(88)
Intan Ramai Sdn. Bhd.	Management fee income	(371)	(323)
Kian Merculaba Sdn. Bhd.	Dividend income	(78,350)	-
	Management fee income	(373)	(325)
Kidat Sendirian Berhad	Transportation services	30	25
PT Borneo Indo Subur	Interest income	(830)	(1,667)
PT Enggang Alam Sawita	Interest income	(343)	(32)

32. Significant related party transactions (continued)

(b) Related parties' transactions and outstanding balances (continued)

The aggregate value of transactions of the related parties of the Group and of the Company were as follows: (continued)

Name of related parties	Type of transactions	Transaction value 2024 RM'000	2023 RM'000
Company			
Subsidiaries: (continued)			
PT Nala Palma Cadudasa	Interest income	(4,915)	(279)
PT Sawit Nusantara Makmur Utama	Interest income	-	(8,775)
PT Sumber Alam Selaras	Interest income	(1,110)	-
Seraya Plantation Sdn. Bhd.	Dividend income	(33,864)	-
Sinar Ramai Sdn. Bhd.	Management fee income	(169)	(148)
Sungai Kenali Sdn. Bhd.	Management fee income	(1,604)	(1,398)
	Interest income	(2,088)	(2,961)
Syarikat Emashijau Sdn. Bhd.	Management fee expenses	19	14
Syarikat Sofrah Sdn. Bhd.	Management fee income	(17)	(14)
The Palace Ventures Sdn. Bhd.	Rental expenses	16	12
	Hotel room expenses	37	24
	Interest income	(654)	(806)

(c) Compensation of key management personnel

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company, and directors of the subsidiaries.

The key management personnel compensation during the financial year is as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Short-term employee benefits	4,674	2,907	1,642	1,281
Contributions to defined contribution plan	264	518	264	205
	4,938	3,425	1,906	1,486
Included in the key management personnel are:				
Directors' remuneration (Note 10)	4,938	3,425	1,906	1,486

32. Significant related party transactions (continued)

(c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly, including any Director of the Group and of the Company.

The terms and conditions and prices of the above transactions are mutually agreed between the parties.

33. Financial guarantees

The fair value of financial guarantees provided by the Company to the banks to secure banking facilities granted to certain subsidiaries as disclosed in Note 30 to the financial statements with nominal amount of RM222,642,000 (2023: RM360,274,000) is negligible as the probability of the financial guarantees being called is remote as those subsidiaries will be able to meet their short term loans and borrowings obligations as and when they are due.

34. Capital commitment

	Group	
	2024 RM'000	2023 RM'000
Approved and contracted for:		
- Property, plant and equipment	-	1,833

35. Financial instruments

(a) Categories of financial instruments

	Group		Company	
Financial assets	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
<u>Measured at amortised cost</u>				
Trade and other receivables	46,222	54,022	455,595	563,688
Cash and bank balances	41,792	21,712	3,951	5,447
	88,014	75,734	459,546	569,135
<u>Measured at amortised cost</u>				
Trade and other payables	86,329	119,255	369,413	436,348
Loans and borrowings	234,302	445,690	7,467	140,498
	320,631	564,945	376,880	576,846

35. Financial instruments (continued)

(a) Categories of financial instruments (continued)

A reconciliation of trade and other receivables financial assets to the amounts reflected in the statements of financial position is as follows:

	Group		Company	
Trade and other receivables	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
As reflected in the statements of financial position (Note 20)	49,690	56,969	455,596	563,706
Less: Prepayments	(3,468)	(2,947)	(1)	(18)
	46,222	54,022	455,595	563,688

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group operates within clearly defined guidelines that are approved by the Board of Directors.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by Executive Directors. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances, and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties.

35. Financial instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

As at the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the statements of financial position; and
- a nominal amount of RM222,642,000 (2023: RM360,274,000) relating to corporate guarantees provided by the Company to the banks to secure banking facilities granted to its subsidiaries.

Trade receivables

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay amounts subject to the write-off. Nevertheless, trade receivables and contract asset that are written off could still be subject to enforcement activities.

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position. The Group does not hold collateral as security.

The ageing analysis of the Group's trade receivables as at the reporting date is as follows:

2024	Gross amount RM'000	Expected credit losses RM'000	Carrying value RM'000
Not past due	4,393	-	4,393
Past due:			
- less than 30 days	298	-	298
- between 31 to 60 days	213	-	213
- between 61 to 90 days	170	-	170
- between 91 to 120 days	2	-	2
- more than 120 days	1,521	(762)	759
	2,204	(762)	1,442
	6,597	(762)	5,835

35. Financial instruments (continued)

(b) Financial risk management (continued)

(ii) Credit risk (continued)

Trade receivables (continued)

The ageing analysis of the Group's trade receivables as at the reporting date is as follows: (continued)

2023	Gross amount RM'000	Expected credit losses RM'000	Carrying value RM'000
Not past due	6,942	-	6,942
Past due:			
- less than 30 days	87	-	87
- between 31 to 60 days	66	-	66
- between 61 to 90 days	172	-	172
- between 91 to 120 days	124	-	124
- more than 120 days	1,215	(782)	433
	1,664	(782)	882
	8,606	(782)	7,824

Impairment for trade receivables is measured at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables includes both individual impairment for those that show objective evidence of impairment (stage 3 loss) and collective impairment (stage 2 loss). Collective impairment has been provided using the provisional matrix based on historical loss experience of the respective entities in the Group with reference to past due status of the debtor, as follows:

	Expected credit loss rates	
	2024	2023
Not past due	0%	0%
Past due:		
- less than 30 days	0%	0%
- between 31 to 60 days	0%	0%
- between 61 to 90 days	0%	0%
- more than 90 days	50%	64%

The expected credit loss rates are based on the historical loss rates experienced by each entity in the Group as adjusted for forward looking element as necessary.

As at the reporting date, the Group has significant concentration of credit risk in the form of outstanding balances due from 1 (2023: 2) major customers representing 24% (2023: 66%) of the total trade receivables.

35. Financial instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables

For other receivables, a lifetime expected credit loss is assessed for those counterparties that show significant increase in credit risk as at the end of the reporting period, and impairment made based on objective evidence of impairment.

Inter-company advances

The Company provides advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis and considers advances to subsidiaries to have low credit risks.

The Company determines the probability of default for these advances individually using internal information available.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. Advances provided are not secured by any collateral or supported by any other credit enhancements.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

Financial guarantee contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contracts.

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss. The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

35. Financial instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Financial guarantee contracts (continued)

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group 2024	Carrying amount RM'000	Contractual undiscounted cashflows RM'000	Within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000
Financial liabilities					
Trade and other payables	86,329	86,329	86,329	-	-
Loans and borrowings	234,302	276,644	80,331	190,401	5,912
	320,631	362,973	166,660	190,401	5,912
2023					
Financial liabilities					
Trade and other payables	119,255	119,255	119,255	-	-
Loans and borrowings	445,690	501,397	241,946	250,720	8,731
	564,945	620,652	361,201	250,720	8,731

35. Financial instruments (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Company 2024	Carrying amount RM'000	Contractual undiscounted cashflows RM'000	Within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000
Financial liabilities					
Trade and other payables	369,413	369,413	369,413	-	-
Loans and borrowings	7,467	7,467	7,467		
Financial guarantees*	-	222,642	222,642	-	-
	376,880	599,522	599,522	-	-
2023					
Financial liabilities					
Trade and other payables	436,348	436,348	436,348	-	-
Loans and borrowings	140,498	143,682	105,959	37,723	-
Financial guarantees*	-	360,274	360,274	-	-
	576,846	940,304	902,581	37,723	-

*The maximum amount of the issued financial guarantee contracts is allocated to the earliest period in which the guarantees could be called.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises mainly from their loans and borrowings. Most of the Group's and the Company's loans and borrowings are charged a fixed interest rate plus the financial institutions' cost of fund per annum. The fixed interest rate is reviewed annually. Whilst, the cost of fund used by the financial institutions vary according to the rates set by the respective financial institutions. Meanwhile, interest rates charged on finance leases are fixed at the inception of the finance lease arrangements. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

35. **Financial instruments** (continued)

(b) **Financial risk management** (continued)

(iii) **Interest rate risk** (continued)

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Group (Decrease)/Increase		Company (Decrease)/Increase	
Effects on profit after taxation	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Increase of 60bp (2023: 25bp)	(996)	(531)	(34)	(128)
Decrease of 60bp (2023: 25bp)	996	531	34	128

(iv) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Indonesian Rupiah ("IDR").

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Financial assets				
Cash and bank balances				
- USD	2,276	176	2,165	110
- IDR	3,340	5,488	8	8
	5,616	5,664	2,173	118
Financial liabilities				
Loans and borrowings				
- USD	-	49,196	-	49,196
- IDR	188,526	197,684	-	-
	188,526	246,880	-	49,196

35. Financial instruments (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the USD and IDR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

Effects on profit after taxation	Group (Decrease)/Increase 2024 RM'000	Group (Decrease)/Increase 2023 RM'000	Company (Decrease)/Increase 2024 RM'000	Company (Decrease)/Increase 2023 RM'000
USD/RM				
- strengthened 5%	114	(2,451)	109	(2,454)
- weakened 5%	(114)	2,451	(109)	2,451
IDR/RM				
- strengthened 5%	(9,259)	(9,610)	1	(1)
- weakened 5%	9,259	9,610	(1)	1

36. Fair value information

The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.

The carrying amount of the variable rate term loans approximated their fair value as the loans will be re-priced to market interest rate on or near reporting date.

As at the reporting date, the Group held the following at fair value in the statement of financial position:

Group 2024	Note	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Assets measured at fair value					
Leasehold plantation land	16	179,855	-	-	179,855
Land use rights for plantation	16	113,468	-	-	113,468
Biological assets	22	6,516			6,516
		299,839	-	-	299,839

36. Fair value information (continued)

As at the reporting date, the Group held the following at fair value in the statement of financial position: (continued)

Group 2023	Note	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Assets measured at fair value					
Leasehold plantation land	16	183,381	-	-	183,381
Land use rights for plantation	16	173,191	-	-	173,191
Biological assets	22	7,559	-	-	7,559
		364,131	-	-	364,131

There have been no transfers between the levels during the current and previous financial year.

Financial guarantees

The fair value of financial guarantees is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned using the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the guaranteed party were to default.

The financial guarantees have not been recognised in the financial statements of the Company as the requirements to reimburse are remote and the Company does not expect to incur material losses under these corporate guarantees. As at 31 December 2024, there was no indication that the subsidiaries would default on payments.

37. Capital management

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their businesses and maximise shareholders' value.

The Group and the Company manage their capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. The Group's strategies were unchanged from the previous financial year.

37. **Capital management** (continued)

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as loans and borrowings from financial institutions less cash and bank balances.

The gearing ratio of the Group and of the Company as at the end of the reporting period was as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Loans and borrowings	234,302	445,690	7,467	140,498
Less: Cash and bank balances	(41,792)	(21,712)	(3,951)	(5,447)
Net debt	192,510	423,978	3,516	135,051
Total equity	628,176	590,874	248,830	158,526
Gearing ratio	0.31	0.72	0.01	0.85

The Group maintains a gearing ratio that complies with the applicable debt covenant as at the reporting date. The Group is not subject to any other externally imposed capital requirements.

38. **Operating Segments**

(i) **Operating segment**

For management purposes, the Group is organised into business units based on its products, and has three (3) reportable operating segments as follows:

Plantation and milling	Cultivation and the sale of oil palm products
Hotelier	Hotel operations
Corporate	Provision of management services, the group-level corporate services, treasury and purchasing functions, and the business investments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of profit or loss and other comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. Operating Segments (continued)

(i) Operating segment (continued)

2024	Plantation and milling RM'000	Hotelier RM'000	Corporate RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
Revenue					
External revenue	487,647	10,200	-	-	497,847
Inter-segment revenue	-	25	118,902	(118,927)	-
Total revenue	487,647	10,225	118,902	(118,927)	497,847
Results					
Segment profit	88,684	881	-	-	89,565
Finance costs					(29,386)
Unallocated expenses					(2,336)
Profit before taxation					57,843
Other information					
Interest income	1,046	-	33	-	1,079
Depreciation of property, plant and equipment and investment properties	60,508	1,832	450	-	62,790
Fair value loss on biological assets	1,043	-	-	-	1,043
Gain on disposal:					
- property, plant and equipment	944	-	-	-	944
- subsidiary	1,402	-	-	-	1,402
Goodwill written off	-	-	1,753	-	1,753
Loss on disposal of assets held for sale	2,320	-	-	-	2,320
Property, plant and equipment written off	108	74	-	-	182
Unrealised gain on foreign exchange	-	-	3,346	-	3,346
Assets					
Segment assets	984,230	39,462	24,720	-	1,048,412
Deferred tax assets					289
Tax recoverable					1,615
Consolidated total assets					1,050,316
Liabilities					
Segment liabilites	79,950	1,922	9,573	-	91,445
Loans and borrowings					234,302
Deferred tax liabilities					87,951
Taxation					8,442
Consolidated total liabilities					422,140

38. Operating Segments (continued)

(i) Operating segment (continued)

2023	Plantation and milling RM'000	Hotelier RM'000	Corporate RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
Revenue					
External revenue	438,204	9,092	-	-	447,296
Inter-segment revenue	-	14	5,837	(5,851)	-
Total revenue	438,204	9,106	5,837	(5,851)	447,296
Results					
Segment profit/(loss)	55,649	(36)	-	-	55,613
Finance costs					(30,199)
Unallocated expenses					(7,598)
Profit before taxation					17,816
Other information					
Interest income	237	-	11	-	248
Depreciation of property, plant and equipment and investment properties	51,300	1,508	454	-	53,262
Fair value loss on biological assets	382	-	-	-	382
Loss on disposal of property, plant and equipment	473	120	-	-	593
Unrealised loss on foreign exchange	-	-	1,646	-	1,646
Assets					
Segment assets	1,226,880	37,851	24,625	-	1,289,356
Deferred tax assets					230
Tax recoverable					392
Consolidated total assets					1,289,978
Liabilities					
Segment liabilites	111,151	1,741	10,502	-	123,394
Loans and borrowings					445,690
Deferred tax liabilities					129,107
Taxation					913
Consolidated total liabilities					699,104

38. Operating Segments (continued)

(ii) Geographical segment

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

Group	Revenue		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Indonesia	237,719	197,215	570,803	655,764
Malaysia	260,128	250,081	352,756	355,358
	497,847	447,296	923,559	1,011,122

(iii) Major customer

Revenue from 4 (2023: 5) major customers amounted to RM420,073,411 (75% of revenue) (2023: RM383,682,912 (86% of revenue)) arising from mill segment.

39. Subsequent event

On 7 February 2025, two (2) shareholders, Jubilant Ventures Sdn. Bhd. and Dato' Loo Pang Kee expressed their intention to NPC on taking the Group private by way of a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 and required the Group to undertake the Proposed SCR.

To put this into effect, NPC appointed AmInvestment Bank Berhad and DWA Advisory Sdn. Bhd. ("DWA") as the Principal and Independent Adviser respectively for the Proposed SCR.

On 28 February 2025, an annoucement stated that the Non-Interested Directors deliberated on the contents of the Proposed SCR based on the advice of DWA and consequently NPC proceeded on 3 April 2025 to issue a Circular to the shareholders in relation to the Proposed SCR. At the same date, an Independent Advice Letter was directed by DWA to the Non-Interested Shareholders of NPC. Thereafter, the Board issued a Notice of the Extraordinary General Meeting ("EGM") to be held on 25 April 2025 for purpose of seeking approval for the Proposed SCR.

At the EGM, the special resolution as set out in the Notice dated 3 April 2025 was unanimously approved by the Non-Interested Shareholders. Upon obtaining the approval, NPC filed a petition to the High Court of Sabah and Sarawak on 28 April 2025 for an order confirming the reduction of the share capital of the Company under Section 116 of the Act to give effect to the Proposed SCR.

40. Comparative figures

The comparative figures have been restated as follows:

Group		As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statements of profit or loss and other comprehensive income				
Administrative expenses	(i)	(20,985)	1,476	(19,509)
Other expenses		(1,145)	(1,476)	(2,621)
Statements of financial position				
Trade and other receivables - current	(ii)	29,284	(8,454)	20,830
Trade and other payables		127,709	(8,454)	119,255

(i) Expenses previously included under administrative expenses are now presented within other expenses to better reflect its nature of classification.

(ii) Advance payment previously included under other payables are now presented within trade receivables to better reflect its nature of classification.

SHAREHOLDING STATISTICS
AS AT 07 APRIL 2025

SHARE CAPITAL

Paid-Up & Issued Share Capital	:	120,000,000 (including treasury shares of 3,305,900)
Type of Shares	:	Ordinary shares
No. of shareholders	:	781
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of holdings	No. of Holders	% of Holders	Total Holdings	% of Holdings
1 to 99	41	5.25	456	0.00
100 to 1,000	552	70.68	91,958	0.08
1,001 to 10,000	138	17.67	525,927	0.45
10,001 to 100,000	25	3.20	751,251	0.65
100,001 to 5,834,704*	18	2.30	23,669,544	20.28
5,834,705 and above**	7	0.90	91,654,964	78.54
Total	**781**	**100.00**	**116,694,100**	**100.00**

Notes: * Less than 5% of issued holdings
** 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS

According to the Register maintained under Section 144 of the Companies Act 2016, the substantial shareholders' interests in shares of the Company (excluding bare trustees) are as follows:-

	Ordinary shares			
	Direct interests	%	Indirect interests	%
Jubilant Ventures Sdn Bhd	36,904,196	31.63	-	-
Dato' Loo Pang Kee	28,408,518	24.34	37,591,796*1	32.22
Tan Sri Dato' Sri Koh Kin Lip, JP	19,783,344	16.95	2,887,350*2	2.48

Notes:

*1: Deemed interest via shareholdings of Jubilant Ventures Sdn. Bhd. in the Company pursuant to Section 8(4) of the Companies Act 2016 and via shareholdings held by his son, Arthur Loo Cheng Kuan pursuant to Section 59(11)(c) of the Companies Act 2016.

*2: Deemed interest via shareholdings of Rickoh Corporation Sdn. Bhd. in the Company pursuant to Section 8(4) of the Companies Act 2016 and via shareholdings held by his daughter, Koh Se Gay pursuant to Section 59(11)(c) of the Companies Act 2016.

SHAREHOLDING STATISTICS (CONT'D)
AS AT 07 APRIL 2025

DIRECTORS' INTERESTS

According to the Register maintained under Section 59 of the Companies Act 2016, the directors' interests in shares of the Company are as follows:-

	Ordinary shares of RM1.00 each			
Name of Directors	**Direct interests**	**%**	**Indirect interests**	**%**
Dato' Loo Pang Kee	28,408,518	24.34	37,591,796*[1]	32.22
Lim Ted Hing		804,000	0.69	- -
Dato' Ooi Sek Min	-	-	-	-
Hajah Shakinur Ain Binti Hj Karama	-	-	-	-
Datuk Goh Giok Yee	-	-	-	-
Chai Chih Kai	20,500	0.02	-	-

Notes:

*1: Deemed interest via shareholdings of Jubilant Ventures Sdn. Bhd. in the Company pursuant to Section 8(4) of the Companies Act 2016 and via shareholdings held by his son, Arthur Loo Cheng Kuan pursuant to Section 59(11)(c) of the Companies Act 2016.

Thirty (30) Largest Securities Account Holders as at 07 April 2025

No.	Name	No. of Shares Held	%
1	Jubilant Ventures Sdn Bhd	25,004,196	21.43
2	Dato' Loo Pang Kee	20,641,794	17.69
3	CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS-PB)	13,592,250	11.65
4	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Jubilant Ventures Sdn Bhd	11,900,000	10.20
5	Dato' Loo Pang Kee	7,766,724	6.66
6	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Sri Koh Kin Lip, JP	6,750,000	5.78
7	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Sri Koh Kin Lip, JP	6,000,000	5.14
8	Maybank Nominees (Tempatan) Sdn Bhd Amanahraya Investment Management Sdn Bhd for Mutual Yield Sdn Bhd (C318-240203)	5,452,500	4.67
9	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Sri Koh Kin Lip, JP (7003423)	5,033,344	4.31
10	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Junior Koh Siew Hui	2,043,700	1.75
11	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Sri Koh Kin Lip, JP (8058900)	2,000,000	1.71
12	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Lai Ming Chun @ Lai Poh Lin	2,000,000	1.71
13	Rickoh Corporation Sdn Bhd	1,500,000	1.28
14	Seah Sen Onn @ David Seah	1,326,500	1.14
15	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rickoh Corporation Sdn Bhd	1,000,000	0.86

SHAREHOLDING STATISTICS (CONT'D)
AS AT 07 APRIL 2025

Thirty (30) Largest Securities Account Holders as at 07 April 2025 (Cont'd)

No.	Name	No. of Shares Held	%
16	Arthur Loo Cheng Kuan	687,600	0.59
17	Lim Ted Hing	604,000	0.52
18	Koh Siew Boon	515,800	0.44
19	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Tan Kiong (E-SDK)	352,100	0.30
20	Rickoh Corporation Sdn Bhd	317,350	0.27
21	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Ng Lee Ling (PW-M00837) (421300)	230,000	0.20
22	CGS International Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Ted Hing (MY0410)	200,000	0.17
23	Teh Bee Gaik	194,100	0.17
24	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lau Kiing Ho (E-SDK)	112,400	0.10
25	Song Kim Weng	100,150	0.09
26	Law Tut Kong	98,500	0.08
27	Koh Se Gay	70,000	0.06
28	Abd Ghani @ Gani Bin Bidin	60,000	0.05
29	Lim Chee Leong	58,900	0.05
30	Au Mun Cheun	50,000	0.04

LIST OF PROPERTIES
AS AT 31 DECEMBER 2024

Description/ Title/Location	Land area Hectares (unless otherwise stated	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2024 RM	Date Acquired
PLANTATION LAND						
Sabah						
Growth estate, KM 70, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	183.05	99 years lease expiring 31 December 2077 and 31 December 2086	N/A	Oil palm plantation	10,852,865	2002
Soon Tai estate, KM 71, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	38.03	99 years lease expiring 31 December 2077	N/A	Oil palm plantation	2,495,696	2002
Jejco estate, KM 71, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	40.71	99 years lease expiring 31 December 2077	N/A	Oil palm plantation	2,720,605	2002
Bintang estate, KM 71, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	195.47	99 years lease expiring 31 December 2078	N/A	Oil palm plantation	12,167,321	2002
SROPP estate, KM 73, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	224.94	99 years lease expiring 31 December 2077 and 31 December 2080	N/A	Oil palm plantation	13,407,864	2002
Teh & Yoon estate, KM 75, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	242.81	99 years lease expiring 31 December 2077 and 31 December 2079	N/A	Oil palm plantation	18,094,032	2005
Sinar Ramai estate, KM 143, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	192.30	99 years lease expiring 31 December 2086	N/A	Oil palm plantation	11,307,684	2002
Intan Ramai estate, KM 143, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	228.10	99 years lease expiring 31 December 2086	N/A	Oil palm plantation	11,395,319	2002
Sofrah estate, KM30 Labuk Road, District of Sandakan, Sabah	39.02	99 years lease expiring 31 December 2060	N/A	Durian orchard	11,186,700	2002

LIST OF PROPERTIES (CONT'D)
AS AT 31 DECEMBER 2024

Description/ Title/Location	Land area Hectares (unless otherwise stated	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2024 RM	Date Acquired
PLANTATION LAND (cont'd)						
Sabah (cont'd)						
Deltafort estate, KM 87, Segaliud Lokan, District of Kinabatangan, Sabah	400.30	99 years lease expiring 31 December 2087	N/A	Oil palm plantation & plantable reserve	18,947,450	2002
Permata Alam estate, KM87, Sandakan-Lahad Datu Highway, District of Kinabatangan, Sabah	200.30	99 years lease expiring 31 December 2085	N/A	Oil palm plantation	12,893,714	2003
Sungai Kenali estate, KM87, Sandakan-Lahad Datu Highway, District of Kinabatangan, Sabah	197.90	99 years lease expiring 31 December 2085	N/A	Oil palm plantation	10,776,684	2003
Pulau Banggi estate, CL055324797 & PL056290085, Pulau Banggi District of Kudat, Sabah	4,008.82	99 years lease expiring 31 December 2068	N/A	Oil palm plantation	131,245,764	2012
Berkat Setia 1 estate, Mile 65, Labuk Road, District of Beluran, Sabah	1006.00	99 years lease expiring 31 December 2077	N/A	Oil palm plantation	23,494,719	2024
Indonesia						
Nala Estates Desa Senambah, Mulupan, Ngayau, Muara Bengkal and Benua Baru, Kecamatan Muara Bengkal, Kabupaten Kutai Timur, Kalimantan Timur, Indonesia	14,792.53	35 years HGU expiring 22 November 2045	N/A	Oil palm plantation & plantable reserve	153,170,506	2013
Hamparan Estates Desa Menamang Kanan, Menamang Kiri, Kecamantan Muara Kaman, Kabupaten Kutai Kartanegara, Kalimantan Timur, Indonesia	10,364.01	35 years HGU expiring 3 March 2049	N/A	Oil palm plantation	252,296,257	2017

LIST OF PROPERTIES (CONT'D)
AS AT 31 DECEMBER 2024

Description/ Title/Location	Land area Hectares (unless otherwise stated	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2024 RM	Date Acquired
Indonesia (cont'd)						
Sumber Estates Desa Senyiur, Kecamatan Muara Ancalong, Kabupaten Kutai Timur, Kalimantan Timur, Indonesia	8,987.56	35 years HGU expiring 4 January 2048	N/A	Oil palm plantation & plantable reserve	56,410,018	2017
OTHER LANDED PROPERTIES						
Sabah						
Ballerina, 2 adjoining double storey shophouses with a built-up area of 782.13m2, Lot 8 & 9, Taman Tshun Ngen, Mile 5, Labuk Road, District of Sandakan, Sabah	395.55m2	999 years lease expiring 9 July 2887	50	Office buildings	117,300	2002
Ballerina, 1 double storey shophouse with a built-up area of 391.07m2, Lot 11, Taman Tshun Ngen, Mile 5, Labuk Road, District of Sandakan, Sabah	197.78 m2	999 years lease expiring 9 July 2887	50	Office building	195,706	2003
Berkat palm oil mill, with a built-up area of 4,193.80m2, KM 70, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	4.05	60 years lease expiring 31 December 2044	39	Palm oil mill	4,614,373	2002
Palace Hotel, 8 storey hotel building with 151 rooms and ancillary buildings together with hotel facilities, an open car park for visitors and a staff quarter with total floor area of 8,673 m2, No. 1, Jalan Tangki, Karamunsing, Kota Kinabalu, Sabah	1.789	999 years lease expiring 31 December 2907, 12 June 2913 and 2 October 2915 and 99 years lease expiring 28 April 2065	30	Hotel	32,692,174	2007 & 2008

LIST OF PROPERTIES (CONT'D)
AS AT 31 DECEMBER 2024

Description/ Title/Location	Land area Hectares (unless otherwise stated	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2024 RM	Date Acquired
OTHER LANDED PROPERTIES (cont'd)						
Sabah (cont'd)						
Sungai Kenali, a single storey bungalow, House No. 440, Jalan Sang Kancil Satu, Turnbull Place, Off Jalan Tuaran, District of Kota Kinabalu, Sabah	0.18 acres	99 years lease expiring 02 November 2058		Employees' accomodation	1,043,627	2014
Transglobe Enterprise, 1 parcel of land at Kg. Kapayan, District of Penampang, Sabah	5,110.50 m2	99 years lease expiring 31 December 2115	N/A	Rental	6,838,838	2017
Miracle Display, 1 parcel of land at Kiangsam Inanam, District of Kota Kinabalu, Sabah	12.50 acres	Sublease expiring 22 January 2048	N/A	Vacant	3,504,794	2018
Palace, a single storey detached house, House No. 581, Jalan Sang Kancil Dua, Turnbull Place, Off Jalan Tuaran, District of Kota Kinabalu, Sabah	0.151 acres	99 years lease expiring 02 March 2061	59	Employees' accomodation	1,299,672	2019
Permata, Alam, 2 parcel of land at Kg Ovai, District of Papar, Sabah	29.302 acres	99 years lease expiring 31 December 2059	19	Vacant	3,641,779	2020
	16.548 acres	Sublease expiring 2 September 2050				
Indonesia						
Nala Mill Desa Senambah, Kecamatan, Muara Bengkal, Kabupaten Kutai Timur, Kalimantan Timur, Indonesia	30	20 years HGB expiring 04 August 2037	8	Palm oil mill	28,386,815	2016
TOTAL					**835,198,276**	

NOTICE OF THE TWENTY FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Fifth Annual General Meeting of the Company will be held at the Gold Room, Ground Floor, The Palace Hotel, No. 1, Jalan Tangki, Karamunsing, 88100 Kota Kinabalu, Sabah, on Tuesday, 10 June 2025 at 10.00 am to transact the following business:

AGENDA

ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.	Please refer to Explanatory Notes (a)
2.	To re-elect Dato' Loo Pang Kee retiring as director in accordance with Clause 100 of the Company's Constitution.	Resolution 1
3.	To re-elect Dato' Ooi Sek Min retiring as director in accordance with Clause 100 of the Company's Constitution.	Resolution 2
4.	To approve the payment of Directors' fees of RM63,000 for the financial year ended 31 December 2024.	Resolution 3
5.	To approve the payment of allowances of up to but not exceeding RM500,000 to Non-Executive Directors with effect from 11 June 2025 until the next Annual General Meeting of the Company.	Resolution 4
6.	To approve the payment of Annual Incentive to the Group Managing Director amounting to RM1,140,000.	Resolution 5
7	To re-appoint Messrs PKF PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 6

SPECIAL BUSINESS

8. To consider and if thought fit, to pass the following resolution:

ORDINARY RESOLUTION

Authority to issue shares pursuant to Section 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights

" THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from the relevant statutory and regulatory authorities, where such approvals are necessary, full authority be and is hereby given to the Directors pursuant to Section 76 of the Companies Act 2016, to issue shares in the Company from time to time at such price upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares in the Ordinary Share Capital of the Company for the time being and that the Directors be and are empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional new ordinary shares to be issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company. **Resolution 7**

THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to Section 75 and 76 of the Companies Act 2016. "

NOTICE OF THE TWENTY FIFTH (CONT'D) ANNUAL GENERAL MEETING

9. To consider and if thought fit, to pass the following resolution:

ORDINARY RESOLUTION

Proposed Renewal Of The Existing Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature

" THAT, approval be and is hereby given, for the Renewal of the Existing Shareholders' Mandate for the Company and/or its Subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4.2 of the Circular to Shareholders dated 30 April 2025 with the related parties described therein provided such transactions are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders; Resolution 8

AND THAT, such approval shall continue to be in force until:

(a) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(b) the expiration of the period within which the next annual general meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND FURTHER THAT the directors be and are hereby authorised to complete and do such acts and things as may be required by the relevant authorities (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution. "

10. To consider and if thought fit, to pass the following resolution:

ORDINARY RESOLUTION

Proposed Renewal Of Authority For The Company To Purchase Its Own Shares Of Up To Ten Percent (10%) Of Its Total Number Of Issued Shares In The Ordinary Share Capital Of The Company

" THAT subject to the provisions of the Companies Act 2016 ("the Act"), the Constitution of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all other applicable laws, rules, regulations, and orders and the approvals of all relevant regulatory authorities, the Company is hereby authorised to purchase and/or hold such amount of ordinary shares ("Shares") in the Company as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares in the Ordinary Share Capital of the Company and that an amount of the funds not exceeding the retained profits of the Company, be utilised for Share buy-back; Resolution 9

NOTICE OF THE TWENTY FIFTH (CONT'D) ANNUAL GENERAL MEETING

AND THAT such Shares purchased may be retained as treasury shares and/or distributed as dividends and/or resold on the market of Bursa Securities and/or be cancelled, as the Directors may deem fit and expedient in the interest of the Company;

AND THAT such authority hereby given shall take effect immediately and shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company at which time it shall lapse unless by a resolution passed at the meeting, the authority is renewed; or

(b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by a resolution passed by the Shareholders in a general meeting,

whichever is the earlier.

AND FURTHER THAT the Directors be hereby authorised to do all such acts and things as may be required by the relevant authorities (including executing any relevant documents) as they may consider expedient or necessary to complete and give effect to the aforesaid authorisation. "

11. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board
NPC Resources Berhad

Dorothy Luk Wei Kam
SSM PC No.: 202008001484
(MAICSA 7000414)
Company Secretary

Kota Kinabalu, Sabah
Dated: 30 April 2025

Notes:

a) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

b) For the purpose of determining member's eligibility to attend this meeting, only member whose name appears in the Record of Depositors as at 3 June 2025 shall be entitled to attend this meeting or appoint proxy to attend and/or vote on his behalf.

c) A member of the Company entitled to attend and vote at a meeting of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

d) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominees may appoint in respect of each omnibus account it holds.

e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney or if the appointor is a corporation under the seal, and the person so appointed may attend and vote at any meeting at which the appointor is entitled to vote.

f) The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Lot 9, T3, Taman Tshun Ngen, Mile 5, Jalan Labuk, 90000 Sandakan, Sabah, at least forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

g) Pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote on a poll.

Explanatory Notes

(a) Audited Financial Statements for Financial Year Ended 31 December 2024

Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, it will not be put forward for voting.

(b) Proposed Authority To Directors To Issue New Shares Under Section 76 Of The Companies Act 2016 and Waiver of Pre-Emptive Rights

The proposed Resolution 7, if passed, shall give power to the Directors to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the total number of issued shares in the Ordinary Share Capital of the Company for the time being. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 14 of the Constitution of the Company will allow the Company to issue new shares of the Company which rank equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

The general mandate sought for issue of shares is a renewal of the mandate that was approved by the shareholders on 10 June 2024. The Company did not utilise the mandate that was approved last year. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

NOTICE OF THE TWENTY FIFTH (CONT'D) ANNUAL GENERAL MEETING

(c) Proposed Renewal of the Existing Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature

The proposed Resolution 8, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the mandated related parties provided that such transactions are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders. Shareholders are directed to refer to the Circular to Shareholders dated 30 April 2025 for more information.

(d) Proposed Renewal Of Authority For The Company To Purchase Its Own Shares Of Up To Ten Percent (10%) Of Its Total Number Of Issued Shares In The Ordinary Share Capital Of The Company

The proposed Resolution 9, if passed, shall empower the Directors of the Company to buy back and/or to hold the shares of the Company not exceeding ten percent (10%) of the total number of issued shares in the Ordinary Share Capital of the Company from time to time being quoted on Bursa Malaysia Securities Berhad as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company. Shareholders are directed to refer to the Statement to Shareholders dated 30 April 2025 for more information.

NPC Resources Berhad

FORM OF PROXY

NPC RESOURCES BERHAD
Registration No. 199901027413 (502313-P)
(Incorporated in Malaysia)

CDS Account No.	

I/We, ______________________ NRIC No./Passport No./Company No./ Registration No.: ______________

of ____

being a member/members of **NPC RESOURCES BERHAD** hereby appoint

NRIC No./Passport No. ______________ of ______________________

(1) Name of Proxy: ______________________ NRIC No./Passport No.: ______________

Address: ____

Email: ______________________ Tel No.: ______________

(2) Name of Proxy: ______________________ NRIC No./Passport No.: ______________

Address: ____

Email: ______________________ Tel No.: ______________

or failing him/her, the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held at the Gold Room, Ground Floor, The Palace Hotel, No. 1, Jalan Tangki, Karamunsing, 88100 Kota Kinabalu, Sabah, on Tuesday, 10 June 2025 at 10.00 am and any adjournment thereof.

I/We direct my/our proxy to vote for or against the Resolutions to be proposed at the Meeting as hereinunder indicated.

No.	Resolutions	FOR	AGAINST
1.	To re-elect Dato' Loo Pang Kee as Director.		
2.	To re-elect Dato' Ooi Sek Min as Director.		
3.	To approve the payment of Directors' fees.		
4.	To approve the payment of allowances to Non-Executive Directors.		
5.	To approve the payment of Annual Incentive to the Group Managing Director.		
6.	To re-appoint Messrs PKF PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Authority to issue shares pursuant to Section 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights.		
8.	Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
9.	Proposed Renewal of Share Buy-Back Authority.		

(Please indicate with an "X" in the space provided for each resolution. Unless voting instructions are indicated in the space above, the proxy will vote or abstain as he/she thinks fit and if no name is inserted in the space for the name of proxy, the Chairman of the Meeting will act as proxy).

No. of Shares held	

Percentage of shareholdings to be represented by proxies:		
	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Dated this ________ day of ____________ 2025

____
Signature/Common Seal of Appointor

Notes:

a) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

b) For the purpose of determining member's eligibility to attend this meeting, only member whose name appears in the Record of Depositors as at 3 June 2025 shall be entitled to attend this meeting or appoint proxy to attend and/or vote on his behalf.

c) A member of the Company entitled to attend and vote at a meeting of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

d) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominees may appoint in respect of each omnibus account it holds.

e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney or if the appointor is a corporation under the seal, and the person so appointed may attend and vote at any meeting at which the appointor is entitled to vote.

f) The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Lot 9, T3, Taman Tshun Ngen, Mile 5, Jalan Labuk, 90000 Sandakan, Sabah, at least forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

g) Pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote on a poll.

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AFFIX
STAMP

The Company Secretary
NPC RESOURCES BERHAD
Registration No :199901027413 (502313-P)
Lot 9, T3
Taman Tshun Ngen
Mile 5, Jalan Labuk
90000 Sandakan
Sabah

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Fold This Flap For Sealing

NPC RESOURCES BERHAD
Registration No :199901027413 (502313-P)

Lot 9, T3, Taman Tshun Ngen, Mile 5,
Jalan Labuk, 90000 Sandakan, Sabah, Malaysia
Tel : 6 089 274 488
Fax : 6 089 226 711

www.npc.com.my