NPC RESOURCES BERHAD (Company No: 502313-P)
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2014 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2013 RM'000	Current Year-To-Date Ended 30/09/2014 RM'000	Preceding Year Corresponding Period Ended 30/09/2013 RM'000
Revenue	113,335	107,277	371,565	280,302
Operating expenses	(109,625)	(107,986)	(350,854)	(270,125)
Other operating income	871	2,167	3,758	3,842
Profit from operations	4,581	1,458	24,469	14,019
Finance costs (Note 16)	3,878	(1,761)	(1,516)	(5,319)
Profit before tax – (Note 19)	8,459	(303)	22,953	8,700
Income tax expense – (**Note 20**)	(596)	213	(5,225)	(2,220)
Profit for the period	7,863	(90)	17,728	6,480
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operation	(7,330)	(24,311)	(9,402)	(20,216)
Total comprehensive income for the period	533	(24,401)	8,326	(13,736)
Profit for the period attributable to:				
Equity holders of the parent	8,832	(71)	18,083	6,231
Non-controlling interests	(969)	(19)	(355)	249
	7,863	(90)	17,728	6,480
Total comprehensive income for the period attributable to:				
Equity holders of the parent	1,391	(24,382)	8,570	(13,985)
Non-controlling interests	(858)	(19)	(244)	249
	533	(24,401)	8,326	(13,736)
Earnings per share attributable to equity holders of the parent:-				
(a) Basic, for profit for the period (sen) - (**Note 26**)	7.36	(0.08)	15.07	5.19
(b) Diluted, for profit for the period (sen) - (**Note 26**)	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at current year ended 30/09/2014 RM'000	As at preceding financial year ended 31/12/2013 RM'000
Non-current assets		
Property, plant and equipment	269,043	269,605
Land use rights	30,881	32,548
Biological assets	226,601	178,788
Other receivables	33,040	16,292
Deferred tax assets	1,571	948
Goodwill on consolidation	4,258	4,258
	565,394	502,439
Current assets		
Inventories	17,221	17,022
Biological assets	1,935	2,763
Trade and other receivables	14,868	22,666
Tax refundable	3,277	3,813
Cash and bank balances	35,227	45,146
	72,528	91,410
Assets held for sale (**Note 21(e)**)	2,238	-
	74,766	91,410
Current liabilities		
Trade and other payables	58,073	47,036
Borrowings – (**Note 22**)	85,913	66,606
Provision for taxation	2,807	768
	146,793	114,410
Net current liabilities	(72,027)	(23,000)
	493,367	479,439
Share capital	120,000	120,000
Retained earnings – (**Note 27**)	213,538	197,855
Foreign currency translation reserve	(44,081)	(34,568)
Equity attributable to equity holders of the parent	289,457	283,287
Non-controlling interests	3,463	3,707
Total equity	292,920	286,994
Non-current liabilities		
Borrowings – (**Note 22**)	165,145	157,107
Employee benefits	461	464
Deferred tax liabilities	34,841	34,874
	200,447	192,445
	493,367	479,439
Net assets per share attributable to equity holders of the parent (RM) - (**Note 28**)	2.41	2.36

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

	Current Year-To-Date Ended 30/09/2014 RM'000	Preceding Year Corresponding Period Ended 30/09/2013 RM'000
Profit before tax	22,953	8,700
Adjustments for:-		
Depreciation of property, plant and equipment	8,372	8,414
Amortisation of land use rights	59	59
Provision for and write off of receivables	-	215
Finance costs	1,516	5,319
Net gain on disposals of property, plant and equipment	(37)	(138)
Fixed assets written off	96	-
Unrealised foreign exchange (gain)/loss	(33)	(330)
Interest income	(1,158)	(583)
Operating cash flows before changes in working capital	31,768	21,656
Changes in working capital		
Net change in inventories	(231)	17,169
Net change in biological assets	879	(613)
Net change in receivables	2,504	(4,350)
Net change in payables	8,553	(7,030)
Interest received	1,158	583
Net taxes paid	(3,418)	(3,891)
Finance costs paid	(1,063)	(4,981)
Net cash flows from operating activities	40,150	18,543
Investing Activities		
Purchase of property, plant and equipment	(11,173)	(24,612)
Additions of biological assets	(45,487)	(21,285)
Net cash outflow on acquisition of a subsidiary	-	(8,969)
Advances of working capital to foreign companies to be acquired, pending approval	(133)	(295)
Deposit and incidental costs paid for leasehold land	(279)	(20)
Payment for securities subscription in SNMU	(16,595)	-
Net proceeds from disposals of property, plant and equipment	294	734
Progress payment received from disposal of investment in foreign company	-	8,506
Net cash flows used in investing activities	(73,373)	(45,941)
Financing Activities		
Dividends paid to shareholders	(2,400)	(1,200)
Repayment of borrowings	(26,593)	(45,686)
Proceeds from drawdown of bank borrowings	52,528	91,000
Payment of hire purchase liabilities	(851)	(607)
Net cash flows from financing activities	22,684	43,507
Net change in cash and cash equivalents	(10,539)	16,109
Effect on exchange rate changes on cash and cash equivalents	(156)	325
Cash and cash equivalents at beginning of financial period	44,794	10,768
Cash and cash equivalents at end of financial period (Note A)	34,099	27,202

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

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

	Current Year-To-Date Ended 30/09/2014 RM'000	Preceding Year Corresponding Period Ended 30/09/2013 RM'000
Fixed deposits with licensed bank held under lien	19,879	10,152
Cash and bank balances	15,348	17,050
Bank overdraft	(1,128)	-
	34,099	27,202

The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent					
	Share Capital RM'000	Distributable Retained Earnings RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Preceding year corresponding period ended 30 September 2013						
Balance as at 1 January 2013	120,000	185,186	(7,169)	298,017	2,730	300,747
Total comprehensive income for the period	-	6,231	(20,216)	(13,985)	249	(13,736)
Acquisition of subsidiary	-	-	-	-	473	473
Dividends	-	(1,200)	-	(1,200)	-	(1,200)
Balance as at 30 September 2013	120,000	190,217	(27,385)	282,832	3,452	286,284

	Attributable to equity holders of the parent					
	Share Capital RM'000	Distributable Retained Earnings RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Current year to date ended 30 September 2014						
Balance as at 1 January 2014	120,000	197,855	(34,568)	283,287	3,707	286,994
Total comprehensive income for the period	-	18,083	(9,513)	8,570	(244)	8,326
Dividends	-	(2,400)	-	(2,400)	-	(2,400)
Balance as at 30 September 2014	120,000	213,538	(44,081)	289,457	3,463	292,920

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

1. Basis of preparation

The unaudited interim financial statements have been prepared under historical cost convention and in accordance with the requirements of *FRS 134: Interim Financial Reporting* and *paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia")*.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. The explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

2. Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013, except for the adoptions of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivation and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014

The adoptions of the above FRSs, Amendments to FRSs and Interpretations do not have any significant impact to the interim financial statements of the Group.

<u>Malaysian Financial Reporting Standards (MRFS Framework)</u>

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

2. Accounting Policies (Cont.d)

Malaysian Financial Reporting Standards (MRFS Framework) (Cont'd.)

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional five years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

3. Qualified auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2013 was not qualified.

4. Seasonality or cyclicality of operations

The Group's operations are mainly affected by seasonal and cyclical factors such the seasonal pattern in the production of fresh fruit bunches (FFB) and the seasonal weather conditions in Sabah. Consistent with the industry FFB production trend in Sabah, the first half of the year is usually the low FFB production period whereas, the second half of the year is expected to be the high FFB production period.

5. Unusual items

There were no items affecting assets, liabilities, equity, net income, or cash flows for the current period that are unusual because of their nature, size, or incidence.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

8. Dividends paid

A final single-tier dividend in respect of the financial year ended 31 December 2013 of 2 sen per share on 120,000,000 ordinary shares, amounting to RM2,400,000 was approved by the shareholders at the Annual General Meeting held on 25 June 2014 and paid on 15 August 2014.

9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Fishery RM'000	Elimination RM'000	Total RM'000
For three months ended 30 September 2014					
Segment Revenue					
External revenue	110,453	1,888	993	-	113,334
Inter-segment revenue	-	1	6	(7)	-
Total	110,453	1,889	999	(7)	113,334
Segment Results	6,455	271	(2)	-	6,724
Unallocated corporate expenses					(2,143)
Profit from operations					4,581
Finance costs					3,878
Profit before tax					8,459
Income tax expense					(596)
Profit for the period					7,863
For nine months ended 30 September 2014					
Segment Revenue					
External revenue	363,442	5,941	2,181	-	371,564
Inter-segment revenue	-	15	6	(21)	-
Total	363,442	5,956	2,187	(21)	371,564
Segment Results	29,493	841	(379)	-	29,955
Unallocated corporate expenses					(5,486)
Profit from operations					24,469
Finance costs					(1,516)
Profit before tax					22,953
Income tax expense					(5,225)
Profit for the period					17,728
For three months ended 30 September 2013					
Segment Revenue					
External revenue	104,284	2,657	336	-	107,277
Inter-segment revenue	-	3	-	(3)	-
Total	104,284	2,660	336	(3)	107,277
Segment Results	2,165	796	(57)	-	2,904
Unallocated corporate expenses					(1,446)
Profit from operations					1,458
Finance costs					(1,761)
Loss before tax					(303)
Income tax expense					213
Loss for the period					(90)

9. Segmental reporting (Cont.d)

	Plantation and milling RM'000	Hotel RM'000	Fishery RM'000	Elimination RM'000	Total RM'000
For nine months ended 30 September 2013					
Segment Revenue					
External revenue	273,250	6,161	891	-	280,302
Inter-segment revenue	-	19	1	(20)	-
Total	273,250	6,180	892	(20)	280,302
Segment Results	17,422	999	(41)	-	18,380
Unallocated corporate expenses					(4,361)
Profit from operations					14,019
Finance costs					(5,319)
Profit before tax					8,700
Income tax expense					(2,220)
Profit for the period					6,480

10. Valuations of property, plant and equipment

There are no valuations of property, plant and equipment for the current financial year-to-date.

11. Material subsequent events not reflected in the financial statements

There were no material subsequent events as at the date of this report.

12. Changes in the composition of the Group

There was no change in the composition of the Group for the current quarter and financial year-to-date.

13. Contingent liabilities or contingent assets

The Company provided corporate guarantees amounting to RM84,271,800 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 30 September 2014, the total amount owing to these financial institutions amounted to RM68,907,606.

There are no other contingent liabilities or contingent assets to be disclosed during the current quarter and financial year-to-date under review.

14. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial report as at 30 September 2014 is as follows:

	RM'000
Approved and contracted for purchase of property, plant and equipment	14,994
Approved and contracted for acquisition of foreign companies	14,956
	29,950
Approved but not contracted for acquisition of foreign companies	51,800
	======

15. Review of performance

The Group recorded a profit before tax of RM8.459 million for the current quarter and RM22.953 million for the current year-to-date on the back of turnover of RM113.335 million for the current quarter and RM371.565 million for the current year-to-date. These represent:

(a) an increase of 2,892% in profit before tax and an increase of 6% in revenue as compared to the profit before tax and revenue in the preceding year corresponding quarter ended 30 September 2013 respectively; and

(b) an increase of 164% in profit before tax and an increase of 33% in revenue as compared to the profit before tax and revenue in the preceding year corresponding period ended 30 September 2013 respectively.

The increase in profit before tax and revenue for the current quarter and financial year-to-date as compared to preceding year corresponding quarter and period was mainly due to the reason stated in Note 16 and partially due to higher sales volume of CPO and PK and higher average CPO and PK prices from the plantation segment.

The detailed analysis of the respective operating segments of the Group with reference to the segmental information as disclosed in note 9 are discussed below:-

Plantation segment
The external revenue of the plantation segment increased by 6% for the current quarter and 33% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. The increase was mainly due to higher sales volume of CPO and PK and higher average CPO and PK price. The plantation segment registered an increase in segment profit of 198% for the current quarter and 69% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. The increase was also mainly due to higher mill contribution and higher FFB production.

Hotel segment
The external revenue of the hotel segment decreased by 29% for the current quarter and 4% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. The decrease was mainly due to lower occupancy rate in current year. The hotel segment registered a decrease in segment profit of 66% for the current quarter and 16% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. The decrease was also mainly due to lower occupancy rate despite the decrease in the operating costs.

15. Review of performance (Cont.d)

Fishery segment
The external revenue of the fishery segment increased by 196% for the current quarter and 145% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. However, the segment loss for the current quarter and financial year-to-date increased drastically as compared to previous year corresponding period due to higher operating costs and unfavourable selling prices.

16. Variance of the results against the immediate preceding quarter

The Group recorded a profit before tax of RM8.459 million for the current quarter, which represents an increase of 34% over the profit before tax of RM6.320 million for the immediate preceding quarter ended 30 June 2014. Management attributes the increase in profit before tax mainly to capitalisation of finance costs incurred in current year-to-date amounting to RM6.370 million on plantation development in Indonesia in the current quarter.

17. Prospects

Plantation segment
Given the current level of CPO and PK prices, the Group's plantation segment will remain profitable for the current financial year and its performance will be in line with the industry norm. There is yet to be any significant revenue and profit contribution from the Group's plantation operation in Indonesia for the current financial year as majority of the plantation area is still in the preliminary development and planting stage.

Hotel segment
The prospect of the hotel segment for the current financial year is expected to be adversely affected due to the recent security concerns impacting the tourist arrivals.

Fishery segment
The fishery segment is expected to be challenging for the current financial year from its fish rearing activities due to continuing sluggish demand and low grouper fish selling prices.

18. Profit forecast

Not applicable.

19. Profit for the period

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2014 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2013 RM'000	Current Year-To-Date Ended 30/09/2014 RM'000	Preceding Year Corresponding Period Ended 30/09/2013 RM'000
Interest income	(383)	(87)	(1,158)	(287)
Other income	(763)	(1,984)	(2,501)	(3,225)
Amortisation of land use rights	20	20	59	59
Depreciation of property, plant and equipment	2,808	2,852	8,372	8,414
Provision for and write off of receivables	-	-	-	215
Unrealised foreign exchange loss /(gain)	276	(96)	(99)	(330)

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

20. Income tax expense

Income tax expense comprises :-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2014 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2013 RM'000	Current Year-To-Date Ended 30/09/2014 RM'000	Preceding Year Corresponding Period Ended 30/09/2013 RM'000
Tax expense for the period:				
Malaysian Income Tax	1,157	(822)	5,846	1,486
Deferred taxation:				
- relating to origination and reversal of temporary differences	(737)	413	(827)	612
- relating to reduction in Malaysian income tax rates	21	-	(90)	-
	441	563	4,929	2,507
Under/(over)provided in prior years:				
Malaysian Income Tax	147	(247)	147	(247)
Deferred taxation	8	443	149	369
	596	(213)	5,225	2,220

The Group's effective tax rate is slightly lower than the statutory tax rate due to lower tax rate of 24% being applied for deferred tax computation on the temporary differences anticipated to reverse in the year of assessment 2016 and also non-taxable income.

21. Status of corporate proposals

(a) On 21 August 2008, the Company had announced to Bursa Malaysia that it had proposed to implement the following:

(i) a share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each held in NPC into five (5) ordinary shares of RM0.20 each ("Proposed Share Split");
(ii) establishment of an employees' share option scheme of up to fifteen percent (15%) of the issued and paid-up share capital of NPC ("Proposed ESOS") after the completion of the Proposed Share Split; and
(iii) amendments to the Memorandum of Association of NPC required for the implementation of the Proposed Share Split ("Proposed Amendments").
(Collectively referred to as the "Proposals").

The Board had on 21 February 2014 resolved to defer the Proposals until a suitable time.

(b) On 21 December 2009, the Company had announced to Bursa Malaysia that the Company's wholly owned subsidiary, Permata Alam Sdn Bhd ("Permata") had on 18 December 2009 entered into a Conditional Sale and Purchase Agreement ("Original CSPA") with Mr Ir. Ikhsanudin and Mr Firdaus ("the Vendors of ABS") in relation to the Proposed Acquisition of 2,375 fully paid up shares of IDR 100,000 each representing 95% equity interest in PT Agronusa Bumi Sejahtera ("ABS") at a maximum purchase consideration of USD3,160,518.90 ("the Proposed Acquisition of ABS") based on the total area of 8,338 hectares included in the certificates of Izin Lokasi and Izin Usaha Perkebunan. The total purchase price shall be satisfied in five (5) progress payments upon the conditions fulfilled for each instalment. On 5 March 2010, Permata entered into an Amendment Agreement to the Conditional Share Sale and Purchase Agreement and an Amendment Agreement to the Service Provision Agreement ("the Amendment Agreements") with the Vendors of ABS in relation to the Proposed Acquisition of ABS. The Amendment Agreements were entered into to facilitate the transfer of all rights and obligations of Permata under the original Conditional Share Sale and Purchase Agreement entered into on 18 December 2009 to another wholly owned subsidiary of the Company, Miasa Plantation Sdn Bhd ("Miasa").

On 17 March 2011, the Company had announced to Bursa Malaysia that Miasa had on 16 March 2011 entered into a Second Amendment of the Conditional Shares Sale And Purchase Agreement ("Second Amendment CSPA") with the Vendors of ABS in relation to the Proposed Acquisition of ABS. As ABS has obtained an additional Grant of Location Permit for Oil Palm Plantation with the total land area of approximately 5,117 hectares located at Desa Bukit Makmur, Bukit Harapan, Bangun Jaya, Citra Manunggal Jaya, Bumi Sejahtera and Jangkar, District of Kaliorang and District of Sangkulirang of Kutai Timur Regency, of East Kalimantan Province, Indonesia ("the Additional ABS Land") on 8 November 2010 ("ABS Location Permit II") and obtained the Grant of Plantation Business Permit for Oil Palm Plantation for the Additional Land on 4 January 2011 ("ABS IUP II"), the Second Amendment CSPA is required to amend the purchase consideration and several terms and conditions stated in the Original CSPA to take into account and reflect the Additional ABS Land. Due to the increase of the parcel area of the land granted to ABS pursuant to the ABS Location Permit II and ABS IUP II obtained, the maximum purchase consideration for the Proposed Acquisition of ABS shall be revised to USD 399 x 13,455 hectares x 95% totalling USD 5,100,117.75. Based on the cadastral measurement of the ABS Land on 15 September 2011, the total land area of ABS is reduced to 5,564 hectares and thus the maximum purchase consideration shall be revised to USD 399 x 5,564 hectares x 95% totalling USD 2,109,034.20.

21. Status of corporate proposals (Cont'd.)

The total progress payments paid to the Vendors of ABS as at 30 September 2014 was USD1,386,450, which represents 66% of the latest revised maximum purchase consideration.

(c) On 15 January 2014, the Company had announced to Bursa Malaysia that the Company's wholly owned subsidiary, Miasa Plantation Sdn Bhd ("Miasa") had on the same date entered into:-

(i) the Share and Warrant Subscription Agreement with PT Sawit Nusantara Makmur Utama and ("SNMU") and Cstone Financial Holdings Ltd ("Cstone") to subscribe for 2,604 new ordinary shares of IDR1,000,000 each ("New Shares"), representing 9.43% equity interest of the enlarged paid-up capital of SNMU and 1,781,136 new warrants in SNMU, at a consideration of USD2,000,000 or approximately RM6.52 million (based on the exchange rate of USD1.00:RM3.26 as at 13 January 2014); and

(ii) the Conditional Share and Warrant Subscription Agreement ("CSWSA") with SNMU and Cstone to subscribe for 8,033 new ordinary shares of IDR1,000,000 each ("New Additional Shares"), representing 22.54% equity interest of the enlarged paid-up capital of SNMU and 5,494,572 new warrants in SNMU, at a consideration of USD6,170,000 or approximately RM20.11 million (based on the exchange rate of USD1.00:RM3.26 as at 13 January 2014).

On 15 January 2014, Miasa had paid the consideration of USD2,000,000 for the subscription of the New Shares and its related new warrants and on 21 January 2014, Miasa had also paid the consideration of USD2,280,000 for the partial subscription of the New Additional Shares and its related warrants pursuant to the fulfilment of one of the conditions precedent stated in the CSWSA.

(d) On 24 January 2014, the Company had announced to Bursa Malaysia that the Company and Miasa had entered into a Summary of Principal Terms and Conditions of the Business Combination ("Term Sheet') with Cstone and SNMU for the following:

i) Proposed subscription by SNMU of collectively 95% of the enlarged equity interest in PT Borneo Indosubur, PT Enggang Alam Sawita, PT Agronusa Bumi Sejahtera and PT Nala Palma Cadudasa ("Nala"), Indonesian subsidiaries of NPC (collectively "NPC Indon Subsidiaries") for an indicative consideration of USD30.40 million (equivalent to approximately RM101.23 million[1]) to be satisfied entirely by the issuance of new primary shares in SNMU to Miasa, the number of which to be determined later, subject to any post valuation adjustments to be conducted ("Post Valuation Adjustments") after the completion of the Due Diligence stated in Section 3.2 of the Announcement ("Proposed NPC Indon Subsidiaries Shares Subscriptions"); and

ii) Proposed additional subscription by Miasa of new primary shares in SNMU, the number of which is also to be determined later and subject to Post Valuation Adjustments for an indicative cash consideration of USD21.83 million (equivalent to approximately RM72.69 million[1]) ("Proposed SNMU Shares Subscriptions").

[1] (based on the exchange rate of USD1.00:RM3.33 as at 23 January 2014).

The consummations of the Proposed NPC Indon Subsidiaries Shares Subscriptions and the Proposed SNMU Shares Subscriptions are subject to the results of the Due Diligence which are currently undertaken by both Parties to the Term Sheet.

21. Status of corporate proposals (Cont'd.)

(e) On 25 June 2014, the Company had announced to Bursa Malaysia that the Company's wholly owned subsidiary, The Palace Ventures Sdn Bhd had on 24 June 2014, entered into a Conditional Sale and Purchase Agreement with Trekkers Lodge Sdn. Bhd. (Company No. 034762-P) in relation to the Proposed Disposal of a 4-Storey Building located at Lot 56, Bandaran Berjaya, 88000 Kota Kinabalu and held under CL015333703, in the district of Kota Kinabalu, State of Sabah at a sale consideration of RM4,000,000 only.
The proposed disposal is completed on 27 October 2014.

22. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 September 2014 are as follows :-

	Secured RM'000
Short term borrowings	
Revolving credits	55,861
Bankers acceptance	4,806
Bank overdraft	1,128
Term loans	22,755
	84,550
Hire purchase and lease payables	1,363
Sub-total	85,913
Long term borrowings	
Term loans	161,302
Hire purchase and lease payables	3,843
Sub-total	165,145
Total Borrowings	251,058

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

	Foreign Currencies ('000)	RM Equivalent ('000)
USD – Revolving credit	4,835	15,807

There are no debt securities issued as at 30 September 2014.

23. Financial Instruments

(a) Derivatives

As at 30 September 2014, there were no outstanding derivatives (including financial instruments designated as hedging derivatives).

(b) Gains or Losses Arising From Fair Value Changes of Financial Liabilities

As the Group did not have any financial liabilities measured at fair value through profit or loss, there were no gains or losses arising from fair value changes of financial liabilities for the current quarter and financial year-to-date.

24. Changes in material litigation

There was no pending material litigation as at 19 November 2014, being a date not earlier than 7 days from the date of the quarterly report.

25. Proposed dividend

No dividend was proposed for the current period.

26. Earnings per share

Basic and diluted earnings per ordinary share
The calculation of basic and diluted earnings per ordinary share is based on the net profit for the period and the weighted average number of ordinary shares outstanding for the period.

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 30/09/2014 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2013 RM'000	Current Year-To-Date Ended 30/09/2014 RM'000	Preceding Year Corresponding Period Ended 30/09/2013 RM'000
(a)	Profit attributable to equity holders of the parent	8,832	(71)	18,083	6,231
(b)	Weighted average number of shares	120,000	120,000	120,000	120,000
(c)	Basic earnings per share (sen)	7.36	(0.08)	15.07	5.19

The Group has no potential ordinary shares in issue as at end of current quarter and therefore, diluted earnings per share has not been presented.

27. Retained earnings

	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Realised	314,305	314,129
Unrealised	(17,445)	(16,902)
	296,860	297,227
Consolidation adjustments	(83,322)	(99,372)
Total group retained earnings as per consolidated accounts	213,538	197,855

28. Net assets per share attributable to equity holders of the parent

The net assets per share attributable to equity holders of the parent is calculated by dividing the total equity attributable to equity holders of the parent by 120,000,000 ordinary shares of the Company in issue as at end of current quarter.

29. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 November 2014.

By Order of the Board
Dorothy Luk Wei Kam
Company Secretary
Kota Kinabalu, Sabah
27 November 2014