NPC RESOURCES BERHAD (Company No: 502313-P)
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2014 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM'000	Current Year-To-Date Ended 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
Revenue	107,899	138,519	479,464	418,821
Operating expenses	(104,550)	(129,938)	(455,404)	(400,063)
Other operating income	3,736	2,588	7,494	6,430
Profit from operations	7,085	11,169	31,554	25,188
Finance costs	(3,421)	(2,140)	(4,937)	(7,459)
Profit before tax – (Note 19)	3,664	9,029	26,617	17,729
Income tax expense – (**Note 20**)	(1,547)	(958)	(6,772)	(3,178)
Profit for the period	2,117	8,071	19,845	14,551
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	18,834	(7,362)	9,432	(27,578)
Total comprehensive income/(expense) for the period	20,951	709	29,277	(13,027)
Profit for the period attributable to:				
Equity holders of the parent	3,316	7,638	21,399	13,869
Non-controlling interests	(1,199)	433	(1,554)	682
	2,117	8,071	19,845	14,551
Total comprehensive income for the period attributable to:				
Equity holders of the parent	22,180	454	30,750	(13,531)
Non-controlling interests	(1,229)	255	(1,473)	504
	20, 951	709	29,277	(13,027)
Earnings per share attributable to equity holders of the parent:-				
(a) Basic, for profit for the period (sen) - (**Note 26**)	2.77	6.37	17.84	11.56
(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.

NPC RESOURCES BERHAD (Company No: 502313-P)
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at current year ended 31/12/2014 RM'000	As at preceding financial year ended 31/12/2013 RM'000
Non-current assets		
Property, plant and equipment	280,869	269,605
Land use rights	32,429	32,548
Biological assets	243,038	178,788
Other receivables – (**Note 21(c),(d)**)	41,602	16,292
Other investment	1,564	-
Deferred tax assets	2,167	948
Goodwill on consolidation	4,932	4,258
	606,601	502,439
Current assets		
Inventories	20,823	17,022
Biological assets	1,676	2,763
Trade and other receivables	17,886	22,665
Tax refundable	3,318	3,813
Cash and bank balances	35,902	45,146
	79,605	91,409
Current liabilities		
Trade and other payables	46,457	47,036
Borrowings – (**Note 22**)	124,142	66,606
Provision for taxation	1,733	768
	172,332	114,410
Net current liabilities	(92,727)	(23,001)
	513,874	479,438
Share capital	120,000	120,000
Treasury shares	(242)	-
Retained earnings – (**Note 27**)	216,854	197,855
Foreign currency translation reserve	(25,218)	(34,569)
Equity attributable to equity holders of the parent	311,394	283,286
Non-controlling interests	2,234	3,707
Total equity	313,628	286,993
Non-current liabilities		
Borrowings – (**Note 22**)	164,509	157,107
Employee benefits	486	464
Deferred tax liabilities	35,251	34,874
	200,246	192,445
	513,874	479,438
Net assets per share attributable to equity holders of the parent (RM) - (Note 28)	2.60	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.

NPC RESOURCES BERHAD (Company No: 502313-P)
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

	Current Year-To-Date Ended 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
Profit before tax	26,617	17,729
Adjustments for:-		
Depreciation of property, plant and equipment	11,296	11,656
Amortisation of land use rights	79	79
Provision for and write off of receivables	80	35
Impairment loss on other receivables	-	179
Finance costs	4,937	7,459
Property, plant and equipment scrapped	412	-
Net gain on disposals of property, plant and equipment	(1,756)	(195)
Negative goodwill	(674)	-
Net unrealised foreign exchange (gain)/loss	1,491	(38)
Interest income	(1,627)	(1,086)
Operating cash flows before changes in working capital	40,855	35,818
Changes in working capital		
Net change in inventories	(3,567)	17,135
Net change in biological assets	1,086	(360)
Net change in receivables	(39,638)	(6,479)
Net change in payables	18,008	(672)
Cash flows from operations	16,744	45,442
Interest received	1,627	1,086
Net taxes paid	(6,264)	(3,157)
Finance costs paid	(4,059)	(7,082)
Net cash flows from operating activities	8,048	36,289
Investing Activities		
Purchase of property, plant and equipment	(24,484)	(28,939)
Additions of biological assets	(46,831)	(34,468)
Interest paid capitalized to biological assets	(8,742)	-
Acquisition of a subsidiary, net of cash acquired	-	(8,100)
Additions of other investment	(1,564)	-
Advances of working capital to foreign companies to be acquired	-	(2,831)
Deposits paid for leases of land	-	(1,881)
Payment received from disposal of investment in a foreign company	-	10,215
Net proceeds from disposals of property, plant and equipment	4,291	226
Net cash flows used in investing activities	(77,330)	(65,778)
Financing Activities		
Dividend paid to shareholders	(2,400)	(1,200)
Purchase of treasury shares	(242)	-
Repayment of borrowings	(31,664)	(10,719)
Proceeds from drawdown of bank borrowings	88,003	76,059
Payment of hire purchase liabilities	(1,187)	(876)
Net cash flows from financing activities	52,510	63,264
Net change in cash and cash equivalents	(16,772)	33,775
Effect on exchange rate changes on cash and cash equivalents	(349)	251
Cash and cash equivalents at beginning of financial year	44,794	10,768
Cash and cash equivalents at end of financial year (Note A)	27,673	44,794

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 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
Fixed deposits with licensed bank	20,961	26,765
Cash and bank balances	14,941	18,381
Bank overdraft	(8,229)	(352)
	27,673	44,794

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.

NPC RESOURCES BERHAD (Company No: 502313-P)
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
The figures have not been audited

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 31 December 2013						
Balance as at 1 January 2013	120,000	185,186	(7,169)	298,017	2,730	300,747
Total comprehensive income for the year	-	13,869	(27,400)	(13,531)	504	(13,027)
Acquisition of subsidiary	-	-	-	-	473	473
Dividends	-	(1,200)	-	(1,200)	-	(1,200)
Balance as at 31 December 2013	120,000	197,855	(34,569)	283,286	3,707	286,993

	Attributable to equity holders of the parent						
	Share Capital RM'000	Treasury Shares 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 31 December 2014							
Balance as at 1 January 2014	120,000	-	197,855	(34,569)	283,286	3,707	286,993
Total comprehensive income for the year	-	-	21,399	9,351	30,750	(1,473)	29,277
Purchase of treasury shares		(242)	-	-	(242)	-	(242)
Dividends	-	-	(2,400)	-	(2,400)	-	(2,400)
Balance as at 31 December 2014	120,000	(242)	216,854	(25,218)	311,394	2,234	313,628

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.

Malaysian Financial Reporting Standards (MRFS Framework)

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 three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015. Subsequently, on 2 September 2014, MASB has issued the following standards:

(i) MFRS15, Revenue from Contracts Customers.

(ii) Agriculture: Bearer plants (Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture).

With the issuance of MFRS 15 and the Bearer Plants Amendment, all transitioning Entities would be required to adopt the MFRS latest by 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 other than the Company had repurchased 87,100 of its issued ordinary shares from the open market at an average price of RM2.76 per share. The total consideration paid for the purchases including transaction costs was RM242,328. The repurchase transactions were financed by internally generated funds. The repurchased share are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. None of the treasury shares has been resold or distributed as share dividends during the financial period ended 31 December 2014.

8. Dividend paid

No dividend was paid during the current period.

9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Fishery RM'000	Elimination RM'000	Total RM'000
For three months ended 31 December 2014					
Segment Revenue					
External revenue	105,578	2,063	259	-	107,900
Inter-segment revenue	-	7	4	(11)	-
Total	105,578	2,070	263	(11)	107,900
Segment Results	10,295	1,687	(525)	-	11,457
Unallocated corporate expenses					(4,372)
Profit from operations					7,085
Finance costs					(3,421)
Profit before tax					3,664
Income tax expense					(1,547)
Profit for the period					2,117
For twelve months ended 31 December 2014					
Segment Revenue					
External revenue	469,020	8,004	2,440	-	479,464
Inter-segment revenue	-	22	10	(32)	-
Total	469,020	8,026	2,450	(32)	479,464
Segment Results	39,788	2,528	(904)	-	41,412
Unallocated corporate expenses					(9,858)
Profit from operations					31,554
Finance costs					(4,937)
Profit before tax					26,617
Income tax expense					(6,772)
Profit for the period					19,845

9. Segmental reporting (Cont.d)

	Plantation and milling RM'000	Hotel RM'000	Fishery RM'000	Elimination RM'000	Total RM'000
For three months ended 31 December 2013					
Segment Revenue					
External revenue	135,239	2,682	598	-	138,519
Inter-segment revenue	-	8	-	(8)	-
Total	135,239	2,690	598	(8)	138,519
Segment Results	13,220	278	(127)	-	13,371
Unallocated corporate expenses					(2,202)
Profit from operations					11,169
Finance costs					(2,140)
Profit before tax					9,029
Income tax expense					(958)
Profit for the period					8,071
For twelve months ended 31 December 2013					
Segment Revenue					
External revenue	408,489	8,843	1,489	-	418,821
Inter-segment revenue	-	27	1	(28)	-
Total	408,489	8,870	1,490	(28)	418,821
Segment Results	30,642	1,277	(168)	-	31,751
Unallocated corporate expenses					(6,563)
Profit from operations					25,188
Finance costs					(7,459)
Profit before tax					17,729
Income tax expense					(3,178)
Profit for the period					14,551

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 other material subsequent events as at the date of this report except the following:

a. On 15 January 2015, the Board of Directors of Better Prospects Sdn Bhd, a subsidiary of the Company has approved that the land together with all the property, plant and equipment at the hatchery site to be rented out; and all property, plant and equipment of the fish farming site to be disposed in early of 2015.

b. PT Borneo Indosubur ("PT BIS"), a subsidiary of Bintang Kinabalu Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, is in the process of re-applying for a new Izin Lokasi of 2,884ha under the previous land use right (Hak Guna Usaha or HGU) area which had been revoked by Badan Pertahanan Nasional Republik Indonesia ("BPN"). The management is confident that the application will be successful and expect to receive a positive response by the end of Quarter 1, 2015.

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 31 December 2014, the total amount owing to these financial institutions amounted to RM71,500,508.

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 31 December 2014 is as follows:

	RM'000
Approved and contracted for purchase of property, plant and equipment	11,927
Approved and contracted for acquisition of foreign companies	9,704
	21,631
Approved but not contracted for acquisition of foreign companies	17,255

15. Review of performance

The Group recorded a profit before tax of RM3.664 million for the current quarter and a profit before tax of RM26.617 million for the current year-to-date on the back of turnover of RM107.899 million for the current quarter and RM479.464 million for the current year-to-date. These represent:

(a) a decrease of 59% in profit before tax and a decrease of 22% in revenue as compared to the profit before tax and revenue in the preceding year corresponding quarter ended 31 December 2013 respectively.

The decrease in profit before tax and revenue for the current quarter as compared to preceding year corresponding quarter was mainly due to lower average CPO and PK prices during the quarter from the plantation segment and lower milling margin.

(b) an increase of 50% in profit before tax and an increase of 14% in revenue as compared to the profit before tax and revenue in the preceding year corresponding period ended 31 December 2013 respectively.

The increase in profit before tax for the financial year-to-date as compared to preceding year corresponding period was mainly due to higher FFB production 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 decreased by 22% for the current quarter but increased by 15% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. The decrease in relation to the current quarter was mainly due to the lower sales volume and CPO and PK prices as compared to the same period in 2013. The increase for the year-to-date was mainly due to higher milling throughput and higher average CPO and PK prices. The plantation segment registered a decrease in segment profit of

15. Review of performance (Cont'd.)

Plantation segment (Cont'd.)
22% for the current quarter but an increase of 30% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. The decrease in the current quarter was mainly due to lower average CPO and PK prices and lower milling margin and the increase in the current financial year-to-date was mainly due to higher average CPO and PK prices and higher FFB production.

Hotel segment
The external revenue of the hotel segment decreased by 23% for the current quarter and 9% 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. The segment result was higher due to the gain on disposal of a property amounting to RM1.8million during the year.

Fishery segment
The external revenue of the fishery segment decreased by 57% for the current quarter but increased by 64% for the current financial year-to-date due to higher sales volume 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 RM3.664 million for the current quarter, which represents a decrease of 57% over the profit before tax of RM8.459 million for the immediate preceding quarter ended 30 September 2014. Management attributes the decrease in profit before tax mainly to lower CPO and PK prices and lower milling margin 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 next 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 next financial year as majority of the plantation area is still in the preliminary development and immature stage.

Hotel segment
The prospect of the hotel segment is expected to continue to be challenging for the next financial year.

Fishery segment
There will be minimal fishery activities in the next financial year. Kindly refer to Note 11(a) for further information.

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 31/12/2014 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM'000	Current Year-To-Date Ended 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
Interest income	(469)	(799)	(1,627)	(1,086)
Other income	(557)	(829)	(3,058)	(4,054)
Amortisation of land use rights	20	20	79	79
Depreciation of property, plant and equipment	2,924	3,242	11,296	11,656
Provision for and write off of receivables	80	35	80	35
Gain on disposal of property, plant and equipment	(1,848)	(195)	(1,848)	(195)
Negative goodwill	(674)	-	(674)	-
Unrealised foreign exchange loss/(gain)	(1,392)	292	(1,491)	(38)

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 31/12/2014 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM'000	Current Year-To-Date Ended 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
Tax expense for the period:				
Malaysian Income Tax	1,731	2,199	7,577	3,685
Deferred taxation:				
- relating to origination and reversal of temporary differences	(226)	(139)	(1,053)	473
- relating to reduction in Malaysian income tax rates	42	(1,108)	(48)	(1,108)
	1,547	952	6,476	3,050
Under/(over)provided in prior years:				
Malaysian Income Tax	-	-	147	(247)
Deferred taxation	-	6	149	375
	1,547	958	6,772	3,178

The Group's effective tax rate is comparable with the statutory tax rate.

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 was completed on 27 October 2014.

(f) On 11 February 2015, the Company had announced to Bursa Malaysia that the Company via its wholly owned subsidiary, Miasa Plantation Sdn Bhd had entered into the following agreements:

(i) Miasa has entered into a conditional share and warrant subscription agreement with Cstone and SNMU ("**CSWA**") for the proposed subscription by Miasa of 23,201 new ordinary shares with nominal value of IDR10,000 each in SNMU ("**SNMU Class B Shares**") representing approximately 53.50% equity interest of the enlarged subscribed and paid-up share capital of SNMU and warrants that are exercisable into 15,869,484 new SNMU Class B Shares for a cash consideration of IDR232.01 million or equivalent to approximately *RM66,000 ("**CSWA Subscription**").

The SNMU Class B Shares will have a nominal value of IDR10,000 and shall bestow their respective owners the equal rights to:-

(i) attend and cast votes in a general meeting of shareholders;

(ii) receive payment of dividends and the remainder of assets from liquidation; and

(iii) exercise other rights under the prevailing laws and regulations.

(ii) Permata Alam Sdn Bhd ("**Permata**'), Miasa, Enggang and Nala entered into a conditional share subscription agreement with SNMU ("**CSSA**") for the proposed subscription by SNMU of 95% of the enlarged equity interest in Nala and Enggang respectively (collectively referred to as the "**Final NPC Indon Subsidiaries**") for a total cash consideration of IDR242,546.24 million or equivalent to approximately *RM68.50 million for the purpose of internal restructuring by transferring the shareholdings of the Final NPC Indon Subsidiaries from Permata and Miasa to SNMU ("**Proposed Restructuring**").

Permata is a wholly owned subsidiary of NPC and the holding company of Enggang while Miasa is a wholly owned subsidiary of NPC and the holding company of Nala.

The Final NPC Indon Subsidiaries have been identified for the inclusion in the Proposed Restructuring after the completion of the Post Valuation Adjustments pursuant to the Proposed NPC Indon Subsidiaries Shares Subscriptions as detailed in Note 21(d)(i) as compared to the earlier proposal in the Initial NPC Indon Subsidiaries.

The Proposed Restructuring is the finalisation of the Proposed NPC Indon Subsidiaries Shares Subscriptions as detailed in Note 21(d)(i).

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

(f) (iii) Miasa has entered into a post-closing conditional share and warrant subscription agreement with SNMU ("**Post Closing CSWA**") for the proposed subscription by Miasa of additional 41,693 new SNMU Class B Shares and new warrants that are exercisable for 28,518,012 new SNMU Class B Shares for a cash consideration of IDR416,930,000 or equivalent to approximately *RM118,000 for the purpose of increasing Miasa's shareholdings in SNMU to approximately 73.81% upon completion of the Post Closing CSWA ("**Post Closing Subscription**").

(iv) Miasa has entered into a shareholders' agreement with SNMU and Cstone to set out the administrative and operational procedures for SNMU after the completion of CSWA Subscription and Post Closing Subscription pursuant to the CSWA, CSSA and Post Closing CSWA ("**Shareholders Agreement**").

CSWA Subscription, Proposed Restructuring and Post Closing Subscription are collectively referred to as the "**Proposals**".

*(Note *: Based on the exchange rate of RM1.00:IDR3,541 as at 5 February 2015)*

22. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 December 2014 are as follows :-

	Secured RM'000
Short term borrowings	
Revolving credits	83,488
Bankers acceptance	4,679
Bank overdraft	8,229
Term loans	26,371
Hire purchase and lease payables	1,375
Sub-total	124,142
Long term borrowings	
Term loans	161,014
Hire purchase and lease payables	3,495
Sub-total	164,509
Total Borrowings	288,651

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

	Foreign Currencies	**RM Equivalent**
USD – Revolving credit	12,404,000	43,403,431

There are no debt securities issued as at 31 December 2014.

23. Financial Instruments

(a) Derivatives

As at 31 December 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 20 February 2015, 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

(a) Basic

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

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 31/12/2014 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM'000	Current Year-To-Date Ended 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
(i)	Profit/(loss) attributable to equity holders of the parent	3,316	7,638	21,399	13,869
(ii)	Weighted average number of shares	119,817	120,000	119,954	120,000
(iii)	Basic earnings per share (sen)	2.77	6.37	17.84	11.56

26. Earnings per share (Cont'd.)

(b) Diluted

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

27. Retained earnings

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Realised	310,465	314,129
Unrealised	(18,951)	(16,902)
	291,514	297,227
Consolidation adjustments	(74,660)	(99,372)
Total group retained earnings as per consolidated accounts	216,854	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 the weighted average number of ordinary shares in issue during the period excluding treasury shares 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 27 February 2015.

By Order of the Board
Dorothy Luk Wei Kam
Company Secretary
Kota Kinabalu, Sabah
27 February 2015