NPC RESOURCES BERHAD (Company No: 502313-P)
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2017 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2016 RM'000	Current Year-To-Date Ended 31/12/2017 RM'000	Preceding Year Corresponding Period Ended 31/12/2016 RM'000
Revenue	70,056	91,668	247,733	287,532
Operating expenses	(67,989)	(95,044)	(240,088)	(287,801)
Other operating income	5,496	3,451	57,356	63,964
Profit from operations	7,563	75	65,001	63,695
Finance costs	(4,559)	(3,960)	(15,493)	(8,674)
Profit before tax – (Note 20)	3,004	(3,885)	49,508	55,021
Income tax expense – (**Note 21**)	(1,112)	(1,477)	(8,162)	(4,808)
Profit/ (loss) for the period	1,892	(5,362)	41,346	50,213
Other comprehensive (loss)/ income, net of tax:				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of gain on employee defined benefit liability	-	(71)	-	(71)
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operation	(10,928)	16,652	(31,428)	22,813
Total comprehensive (loss)/ income for the period	(9,036)	11,219	9,918	72,955
Income/(loss) for the period attributable to:				
Equity holders of the parent	3,844	(5,447)	44,259	50,555
Non-controlling interests	(1,952)	85	(2,913)	(342)
	1,892	(5,362)	41,346	50,213
Total comprehensive (loss)/ income for the period attributable to:				
Equity holders of the parent	(6,907)	11,203	12,620	73,399
Non-controlling interests	(2,129)	16	(2,702)	(444)
	(9,036)	11,219	9,918	72,955
Earnings/ (loss) per share attributable to equity holders of the parent:-				
(a) Basic, for profit/ (loss) for the period (sen) - (**Note 27**)	3.29	(4.55)	37.79	42.25
(b) Diluted, for profit for the period (sen) - (**Note 27**)	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 2016 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 2017
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at current year ended 31/12/2017 RM'000	As at preceding financial year ended 31/12/2016 RM'000
Non-current assets		
Property, plant and equipment	258,194	264,161
Investment property	6,706	1,097
Land use rights	190,155	30,492
Biological assets	435,987	352,716
Other investment	-	1,759
Other receivables	69,658	151,991
Deferred tax assets	1,357	382
Goodwill on consolidation	6,824	4,932
	968,881	807,530
Current assets		
Inventories	22,382	16,366
Trade and other receivables	39,041	24,686
Tax refundable	1,084	1,318
Cash and bank balances	15,685	14,723
Assets of disposal group classified as held for sale	-	26,524
	78,192	83,617
Current liabilities		
Trade and other payables	63,674	44,144
Borrowings – (**Note 23**)	273,127	164,703
Provision for taxation	1,992	1,634
Liabilities directly associated with disposal group classified as held for sale	-	24,418
	338,793	234,899
Net current liabilities	(260,601)	(151,282)
	708,280	656,248
Share capital	120,000	120,000
Treasury shares	(7,453)	(3,678)
Retained earnings – (**Note 28**)	269,963	226,873
Foreign currency translation reserve	(3,347)	28,292
Equity attributable to equity holders of the parent	379,163	371,487
Non-controlling interests	33,507	1,904
Total equity	412,670	373,391
Non-current liabilities		
Borrowings – (**Note 23**)	144,361	182,974
Other payables	119,831	68,132
Employee benefits	1,250	723
Deferred tax liabilities	30,168	31,028
	295,610	282,857
	708,280	656,248
Net assets per share attributable to equity holders of the parent (RM) – (**Note 29**)	3.24	3.14

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

	Current Year-To-Date Ended 31/12/2017 RM'000	Preceding Year Corresponding Period Ended 31/12/2016 RM'000
Profit before tax	49,508	55,021
Adjustments for:-		
Amortisation of land use rights	1,750	475
Depreciation of property, plant and equipment	15,105	13,576
Depreciation of investment property	54	40
Finance costs	15,493	8,674
Gain on disposal of a subsidiary	(23,464)	-
Impairment loss on receivables	-	518
Impairment loss on land use rights	-	1,156
Interest income	(8,899)	(7,628)
Net gain on disposals of property, plant and equipment	(11,188)	(53,305)
Net unrealised foreign exchange gain	(6,349)	(11)
Loss on disposal of property, plant and equipment	18	-
Property, plant and equipment written off	876	186
Provision for retirement benefits	18	334
Operating cash flows before changes in working capital	32,922	19,036
Changes in working capital		
Net change in inventories	(3,091)	4,497
Net change in receivables	29,835	(9,983)
Net change in payables	48,134	46,471
Interest received	8,899	7,628
Net taxes paid	(7,661)	(3,578)
Finance costs paid	(15,784)	(23,596)
Net cash flows generated from operating activities	93,254	40,475
Investing Activities		
Additional placement of fixed deposits	(484)	(100)
Additions in biological assets	(25,280)	(25,547)
Additions in land use rights	(13)	(424)
Additions in other investments	-	(32,972)
Acquisition of non-controlling interest	-	(2,826)
Payment received from surrender a land use right	3,478	-
Purchase of investment property	(5,663)	-
Purchase of property, plant and equipment	(12,114)	(16,061)
Net cash outflow on acquisition of a subsidiary	(88,943)	-
Net proceed from disposal of a subsidiary	24,320	-
Net proceeds from disposal of property, plant and equipment	13,354	73,508
Net cash flows used in investing activities	(91,345)	(4,422)

NPC RESOURCES BERHAD (Company No: 502313-P)
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW (CONTD.)

	Current Year-To-Date Ended 31/12/2017 RM'000	Preceding Year Corresponding Period Ended 31/12/2016 RM'000
Financing Activities		
Dividends paid to shareholders	(1,169)	(1,197)
Purchase of treasury share	(3,776)	(2,923)
Repayment of borrowings	(89,565)	(36,538)
Proceeds from drawdown of bank borrowings	92,195	9,983
Payment of hire purchase liabilities	(998)	(1,530)
Net cash flows used in financing activities	(3,313)	(32,205)
Net change in cash and cash equivalents	(1,404)	3,848
Effect on exchange rate changes on cash and cash equivalents	775	5,637
Cash and cash equivalents at beginning of financial period	10,143	(3,299)
Cash and cash equivalents at end of financial period (Note A)	9,514	6,186

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

Fixed deposits with licensed bank	5,209	428
Cash and bank balances	10,476	14,295
Bank overdraft	(3,427)	(4,152)
Classified as held for sale		
Cash and bank balances	-	441
Bank overdraft	-	(4,398)
	12,258	6,614
Short term fixed deposits with licensed banks with maturity more than 3 months	(2,744)	(428)
	9,514	6,186

The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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
Preceding year corresponding period ended 31 December 2016							
Balance as at 1 January 2016	120,000	(755)	181,799	5,448	306,492	890	307,382
Total comprehensive income/(loss) for the period	-	-	50,555	22,844	73,399	(444)	72,955
Transactions with owners							
Acquisition of non-controlling interest	-	-	(4,284)	-	(4,284)	1,458	(2,826)
Purchase of treasury share	-	(2,923)	-	-	(2,923)	-	(2,923)
Dividends	-	-	(1,197)	-	(1,197)	-	(1,197)
Balance as at 31 December 2016	120,000	(3,678)	226,873	28,292	371,487	1,904	373,391

	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 2017							
Balance as at 1 January 2017	120,000	(3,678)	226,873	28,292	371,487	1,904	373,391
Total comprehensive income/(loss) for the period	-	-	44,259	(31,639)	12,620	(2,702)	9,918
Transactions with owners							
Acquisition of a subsidiary	-	-	-	-	-	34,305	34,305
Purchase of treasury share	-	(3,775)	-	-	(3,775)	-	(3,775)
Dividends	-	-	(1,169)	-	(1,169)	-	(1,169)
Balance as at 31 December 2017	120,000	(7,453)	269,963	(3,347)	379,163	33,507	412,670

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2016. 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 2016.

2. Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016, except for the adoptions of the following new Financial Reporting Standards (FRSs) and Amendments to FRSs:

Description	**Effective for annual periods beginning on or after**
Annual Improvements to FRSs 2014-2016 Cycle	1 January 2017
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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 and IC Interpretation 15 Agreements for Construction of Real Estate, including their parent, significant investor and venturer ("Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework until the MFRS framework becomes mandatory for the Transitioning Entities for annual periods beginning on or after 1 January 2018.

2. Accounting Policies (Cont.d)

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

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 2018. In presenting their 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 2018.

3. Qualified auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2016 was unqualified.

4. Seasonality or cyclicality of operations

The Group's operations are mainly affected by seasonal and cyclical factors such as 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 1,591,200 of its issued ordinary shares from the open market at an average price of RM2.37. The total consideration paid for purchases including transaction costs was RM3,775,677. 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 127 of the Companies Act 2016. None of the treasury shares has been resold or distributed as share dividends during the financial period ended 31 December 2017.

8. Dividends paid

A final single-tier dividend in respect of the financial year ended 31 December 2016 of 1 sen per share on 116,891,700 ordinary shares (excluding 3,108,300 treasury shares), amounting to a dividend payable of RM1,168,917 which was approved by the shareholders at the Annual General Meeting held on 25 May 2017 was paid on 24 August 2017.

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 2017					
Segment Revenue					
External revenue	68,017	2,039	-	-	70,056
Inter-segment revenue	-	3	-	(3)	-
Total	68,017	2,042	-	(3)	70,056
Segment Results	6,233	464	(20)	-	6,677
Unallocated corporate income					886
Profit from operation					7,563
Finance costs					(4,559)
Profit before tax					3,004
Income tax expense					(1,112)
Profit for the period					1,892
For twelve months ended 31 December 2017					
Segment Revenue					
External revenue	239,355	8,378	-	-	247,733
Inter-segment revenue	-	11	-	(11)	-
Total	239,355	8,389	-	(11)	247,733
Segment Results	34,550	1,423	(61)	-	35,912
Unallocated corporate income					29,089
Profit from operation					65,001
Finance costs					(15,493)
Profit before tax					49,508
Income tax expense					(8,162)
Profit for the period					41,346
For three months ended 31 December 2016					
Segment Revenue					
External revenue	89,586	2,082	-	-	91,668
Inter-segment revenue	-	6	-	(6)	-
Total	89,586	2,088	-	(6)	91,668
Segment Results	3,069	158	(123)	-	3,104
Unallocated corporate expense					(3,029)
Profit from operation					75
Finance costs					(3,960)
Loss before tax					(3,885)
Income tax expense					(1,477)
Loss for the period					(5,362)

9. Segmental reporting (Cont.d)

	Plantation and milling RM'000	Hotel RM'000	Fishery RM'000	Elimination RM'000	Total RM'000
For twelve months ended 31 December 2016					
Segment Revenue					
External revenue	280,131	7,401	-	-	287,532
Inter-segment revenue	-	19	-	(19)	-
Total	280,131	7,420	-	(19)	287,532
Segment Results	64,586	293	(182)	-	64,697
Unallocated corporate expense					(1,002)
Profit from operation					63,695
Finance costs					(8,674)
Profit before tax					55,021
Income tax expense					(4,808)
Profit for the period					50,213

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. Disposal group classified as held for sale

On 29 September 2016, the Company has entered into a Conditional Sale and Purchase Agreement ("Share Sale SPA") with Budaya Potensi Sdn. Bhd. ("BPSB") ("the Purchaser") in relation to the proposed disposal of its entire equity interest in Sungai Ruku Oil Palm Plantation Sdn. Bhd. ("SROPP"), a wholly owned subsidiary of the Company for a sales consideration of RM35,500,000 ("Share Sale").

SROPP is the equitable and beneficial owner of a palm oil mill erected on a parcel of agricultural land ("said Palm Oil Mill") and located within the land held under Country Lease No. 095310348, located at Segaliud-Lokan, District of Kinabatangan, in the State of Sabah ("the said Land") registered in the name of Agrisa Trading Sdn. Bhd. ("ATSB"), a wholly owned subsidiary of the Company. The Share Sale is to be sold en-bloc with the disposal of the said Land entered between ATSB and BPSB.

On the same date, ATSB entered into a Conditional Sale & Purchase Agreement ("Land SPA") with BPSB in relation to the disposal of the said Land at a sales consideration of RM12,000,000.

The disposal was completed on 3 March 2017.

13. Disposal group classified as held for sale (Cont.d)

Accordingly, the financial position of the Disposal Group have been classified as held for sales in accordance with FRS5 "Non-current Assets held for Sale and Discontinued Operations".

Statement of financial position disclosures
The major classes of assets and liabilities of Disposal Group classified as held for sale are as follows:

	As at preceding financial year ended 31/12/2016 RM'000
Property, plant and equipment	13,454
Biological assets	670
Inventories	4,774
Trade and other receivables	6,922
Tax refundable	263
Cash and bank balances	441
Assets of disposal group classified as held for sale	26,524
Trade and other payables	11,189
Borrowings	11,369
Deferred tax liabilities	1,860
Liabilities directly associated with disposal group classified as held for sales	24,418

14. Contingent liabilities or contingent assets

The Company provided corporate guarantees amounting to RM215,796,550 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 31 December 2017, the total amount owing to these financial institutions amounted to RM166,063,915.

There are no other contingent liabilities or contingent assets to be disclosed during the current quarter under review.

15. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial report as at 31 December 2017 is as follows:

	RM’000
Approved and contracted	2,186
Approved but not contracted for	2,568
	4,754

16. Review of performance

The Group recorded a profit before tax of RM3.004 million for the current quarter and RM49.508 million for the current year-to-date on the back of turnover of RM70.056 million for the current quarter and RM247.733 million for the current year-to-date respectively. These represent

(a) an increase of 177% in profit before tax and a decrease 24% in revenue as compared to the profit before tax and revenue in the preceding year corresponding quarter ended 31 December 2016 respectively;

(b) a decrease of 10% in profit before tax and 14% in revenue as compared to the profit before tax and revenue in the preceding year corresponding period ended 31 December 2016 respectively.

The increase in profit before tax for the current quarter compared to preceding corresponding quarter was mainly due to higher FFB production from the plantation segment. However, the decrease in profit before tax for the current period compared to preceding corresponding period was mainly due to lower gain on disposal of a subsidiary SROPP of RM23.464 million and a parcel of agricultural land of RM10.772 million compared to previous year corresponding period gain on disposal of agricultural lands of RM53.019 million.

The decrease in revenue for the current quarter and financial year-to-date compared to preceding year corresponding quarter and period was mainly due to the disposal of a revenue generated subsidiary SROPP completed on 3 March 2017 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 24% for the current quarter and 15% for the current financial year-to-date compared to previous year corresponding quarter and period. The decrease was mainly due to the disposal of a revenue generated subsidiary SROPP completed on 3 March 2017 from the plantation segment.

The plantation segment registered an increase in segment profit of 103% for the current quarter compared to previous year corresponding quarter due to higher FFB production compared to previous year corresponding quarter.

However, segment profit for current financial year-to-date decreased by 47% compared to previous year corresponding period mainly due to lower gain on disposal of a parcel of agricultural land of RM10.772 million compared to previous year corresponding period gain on disposal of agricultural lands of RM53.019 million.

Hotel segment
The external revenue of the hotel segment decreased slightly by 2% for current quarter and an increase 13% for financial year-to-date compared to previous year corresponding quarter and period. The hotel segment registered an increase in segment profit of 194% for the current quarter and 386% for the financial year-to-date compared to previous year corresponding quarter and period respectively. The improvement was mainly due to higher occupancy and room rates in the current quarter and period.

17. Variance of the results against the immediate preceding quarter

The Group recorded a profit before tax of RM3.004 million for the current quarter, which represents a decrease of 34% over the profit before tax of RM4.542 million for the immediate preceding quarter ended 30 September 2017. Management attributes the decrease in profit before tax mainly due to higher operating losses from the increasing newly matured plantations in Indonesia from the plantation segment in the current quarter.

18. 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 areas are in the early maturity stage with insignificant FFB yield.

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

19. Profit forecast

Not applicable.

20. Profit/ (loss) for the period

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2017 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2016 RM'000	Current Year-To-Date Ended 31/12/2017 RM'000	Preceding Year Corresponding Period Ended 31/12/2016 RM'000
Amortisation of land use rights	866	173	1,750	475
Depreciation of property, plant and equipment	3,760	3,942	15,105	13,576
Depreciation of investment property	24	10	54	40
Gain on disposal of a subsidiary	-	-	(23,464)	-
Impairment loss on land use right	-	1,156	-	1,156
Impairment loss on receivables	-	518	-	518
Impairment on investment	-	(2,597)	-	-
Interest income	(2,499)	(3,116)	(8,899)	(7,628)
Other income	(1,899)	(40)	(7,456)	(3,020)
Net gain on disposal of property, plant and equipment	(1)	(284)	(11,188)	(53,305)
Net unrealised foreign exchange (gain)/ loss	(1,097)	3,707	(6,349)	(11)
Property, plant and equipment written off	485	67	876	186

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.

21. Income tax expense

Income tax expense comprises :-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2017 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2016 RM'000	Current Year-To-Date Ended 31/12/2017 RM'000	Preceding Year Corresponding Period Ended 31/12/2016 RM'000
Tax expense for the period:				
- Malaysian Income Tax	1,111	2,173	6,522	5,029
- Malaysian RPGT	-	-	1,598	2,579
- relating to origination and reversal of temporary differences	(125)	(273)	(1,270)	(2,632)
- relating to reduction in Malaysian income tax rates	-	-	-	(30)
	986	1,900	6,850	4,946
Under provided in prior years:				
Malaysian Income Tax	-	7	1,230	69
Deferred taxation	126	(430)	82	(207)
	1,112	1,477	8,162	4,808

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

22. Status of corporate proposals

(a) 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).

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

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.

(b) 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.

(c) 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.

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

(c) (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.

(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**". The Proposals are deemed completed (pending final valuation adjustments to be finalised by 31 December 2020) following the receipt of the final approval of the Proposed Restructuring from the relevant Indonesian Authorities dated 3 August 2017.

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

(d) On 28 September 2016, the Company had announced to Bursa Malaysia that the Company entered into a Share Sale SPA with BPSB in relation to the proposed disposal of its entire equity interest in SROPP comprising 3,000,000 ordinary shares of RM1.00 each in SROPP ("the Share Sale") at a consideration sum of RM35,500,000.00 (Ringgit Malaysia Thirty Five Million and Five Hundred Thousand) only [gross share sale consideration before the deduction of the existing bank liabilities] payable by BPSB for the Share Sale ("Share Sale Disposal Consideration").

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

(d) SROPP is the equitable and beneficial owner of a palm oil mill erected on a parcel of agricultural land ("said Palm Oil Mill") and located within the land held under Country Lease No. 095310348, located at Segaliud-Lokan, District of Kinabatangan, in the State of Sabah ("the said Land") registered in the name of Agrisa Trading Sdn. Bhd. ("ATSB"), a wholly owned subsidiary of the Company. The Share Sale is to be sold en-bloc with the disposal of the said Land entered between ATSB and BPSB.

On the same date, ATSB entered into a Conditional Sale & Purchase Agreement ("Land SPA") with BPSB in relation to the disposal of the said Land at a sales consideration of RM12,000,000.

The disposal was completed on 3 March 2017.

23. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 December 2017 are as follows :-

		Secured RM'000
Short term borrowings		
Revolving credits		224,813
Bankers' acceptance		5,280
Bank overdraft		3,427
Term loans		38,938
		272,458
Hire purchase and lease payables		669
	Sub-total	273,127

		Secured RM'000
Long term borrowings		
Term loans		143,888
Hire purchase and lease payables		473
	Sub-total	144,361
	Total Borrowings	417,488

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

	Foreign Currencies	RM Equivalent
USD – Revolving credit @ 4.0475	43,604,347	176,488,594

There are no debt securities issued as at 31 December 2017.

24. Financial Instruments

(a) Derivatives

As at 31 December 2017, 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.

25. Changes in material litigation

There was no pending material litigation as at 20 February 2018, being a date not earlier than 7 days from the date of the quarterly report.

26. Proposed dividend

No dividend was proposed for the current period.

27. 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 31/12/2017 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2016 RM'000	Current Year-To-Date Ended 31/12/2017 RM'000	Preceding Year Corresponding Period Ended 31/12/2016 RM'000
(a) Profit/ (loss) attributable to equity holders of the parent	3,884	(5,447)	44,259	50,555
(b) Weighted average number of shares	116,891	119,667	117,114	119,667
(c) Basic earnings/ (loss) per share (sen)	3.29	(4.55)	37.79	42.25

(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.

28. Retained earnings

	As at 31 December 2017 RM'000	As at 31 December 2016 RM'000
Realised	255,445	347,047
Unrealised	(586)	30,972
	254,859	378,019
Consolidation adjustments	15,104	(151,146)
Total group retained earnings as per consolidated accounts	269,963	226,873

29. 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.

30. 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 February 2018.

By Order of the Board
Dorothy Luk Wei Kam
Company Secretary
Kota Kinabalu, Sabah
27 February 2018