



**NPC RESOURCES BERHAD (Company No: 502313-P)**  
**INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2018**  
**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2018 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2017 RM'000	Current Year- To-Date Ended 30/06/2018 RM'000	Preceding Year Corresponding Period Ended 30/06/2017 RM'000
Revenue	54,214	49,821	111,907	120,700
Operating expenses	(68,017)	(48,297)	(128,596)	(123,302)
Other operating (expenses)/ income	(2,819)	9,159	1,386	47,310
<b>(Loss)/profit from operations</b>	<b>(16,622)</b>	<b>10,683</b>	<b>(15,303)</b>	<b>44,708</b>
Finance costs	(4,858)	(3,489)	(8,513)	(7,068)
<b>(Loss)/profit before tax – (Note 19)</b>	<b>(21,480)</b>	<b>7,194</b>	<b>(23,816)</b>	<b>37,640</b>
Income tax expense – (Note 20)	(147)	(1,929)	(1,945)	(3,851)
<b>Loss/ (profit) for the period</b>	<b>(21,627)</b>	<b>5,265</b>	<b>(25,761)</b>	<b>33,789</b>
<b>Other comprehensive income/(loss), net of tax:</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operation	1,337	(10,511)	(16,217)	(11,567)
<b>Total comprehensive (loss)/ income for the period</b>	<b>(20,290)</b>	<b>(5,246)</b>	<b>(41,978)</b>	<b>22,222</b>
<b>Income/(loss) for the period attributable to:</b>				
Equity holders of the parent	(16,973)	5,048	(17,974)	33,875
Non-controlling interests	(4,654)	217	(7,787)	(86)
	<b>(21,627)</b>	<b>5,265</b>	<b>(25,761)</b>	<b>33,789</b>
<b>Total comprehensive (loss)/ income for the period attributable to:</b>				
Equity holders of the parent	(15,676)	(5,555)	(35,618)	22,207
Non-controlling interests	(4,614)	309	(6,360)	15
	<b>(20,290)</b>	<b>(5,246)</b>	<b>(41,978)</b>	<b>22,222</b>
<b>(Loss)/earnings per share attributable to equity holders of the parent:-</b>				
(a) Basic, for (loss)/profit for the period (sen) - (Note 26)	(14.52)	4.29	(15.38)	28.87
(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 2017 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 30/06/2018 RM'000	31/12/2017 RM'000 (Reported under MFRS)	01/01/2017 RM'000 (Reported under MFRS)
<b>Non-current assets</b>			
Property, plant and equipment	786,207	801,096	559,628
Investment property	1,050	1,057	1,097
Land use rights	62,047	63,119	30,492
Other investment	-	-	1,759
Other receivables	53,187	65,306	151,991
Deferred tax assets	2,130	1,502	382
Goodwill on consolidation	34,840	34,942	4,932
	939,461	967,022	750,281
<b>Current assets</b>			
Inventories	21,848	22,445	16,366
Biological assets	3,128	4,555	4,445
Trade and other receivables	23,319	34,128	24,686
Tax refundable	409	1,034	1,318
Cash and bank balances	9,981	15,885	14,723
Assets of disposal group classified as held for sale	-	-	26,524
	58,685	78,047	88,062
<b>Current liabilities</b>			
Trade and other payables	63,566	59,983	44,144
Dividend payable	1,169	-	-
Borrowings – (Note 22)	290,025	273,127	164,703
Provision for taxation	1,673	1,992	1,634
Liabilities directly associated with disposal group classified as held for sale	-	-	24,418
	356,433	335,102	234,899
Net current liabilities	(297,748)	(257,055)	(146,837)
	641,713	709,967	603,444
Share capital	120,000	120,000	120,000
Treasury shares	(7,485)	(7,453)	(3,678)
Retained earnings	231,770	250,913	187,308
Foreign currency translation reserve	(24,954)	(7,310)	28,186
<b>Equity attributable to equity holders of the parent</b>	319,331	356,150	331,816
<b>Non-controlling interests</b>	21,532	27,892	1,744
<b>Total equity</b>	340,863	384,042	333,560
<b>Non-current liabilities</b>			
Borrowings – (Note 22)	128,263	144,361	182,974
Other payables	111,600	119,831	68,132
Employee benefits	2,521	2,918	723
Deferred tax liabilities	58,466	58,815	18,055
	300,850	325,925	269,884
	641,713	709,967	603,444
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	2.73	3.04	2.80

**The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.**

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**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW**

	Current Year- To-Date Ended 30/06/2018 RM'000	Preceding Year Corresponding Period Ended 30/06/2017 RM'000
(Loss)/profit before tax	(23,816)	37,640
Adjustments for:-		
Amortisation of land use rights	754	242
Depreciation of property, plant and equipment	17,943	12,894
Depreciation of investment property	7	13
Finance costs	8,513	7,068
Gain on disposal of a subsidiary	-	(23,464)
Interest income	(153)	(4,645)
Loss on disposal of property, plant and equipment	-	18
Net gain on disposals of property, plant and equipment	(53)	(11,192)
Net unrealised foreign exchange loss/(gain)	10,934	(3,141)
Property, plant and equipment written off	72	2
Operating cash flows before changes in working capital	14,201	15,435
Changes in working capital		
Net change in inventories	(64)	(4,535)
Net change in biological assets	1,420	(350)
Net change in receivables	19,087	(29,968)
Net change in payables	(2,940)	3,313
Interest received	153	4,645
Net taxes paid	(2,641)	(2,285)
Finance costs paid	(8,483)	(7,089)
Net cash flows generated from/(used in) operating activities	20,733	(20,834)
Investing Activities		
Additional placement of fixed deposits	(473)	-
Payment for land use right	(5,101)	(72)
Purchase of property, plant and equipment	(22,911)	(16,291)
Net proceed from disposal of a subsidiary	-	24,320
Net proceeds from disposal of property, plant and equipment	141	13,387
Net cash flows (used in)/generated from investing activities	(28,344)	21,344
Financing Activities		
Purchase of treasury share	(32)	(3,775)
Repayment of borrowings	(19,248)	(34,326)
Proceeds from drawdown of bank borrowings	18,955	37,540
Drawdown/ (payment) of hire purchase liabilities	350	(501)
Net cash flows generated/(used in) from financing activities	25	(1,062)

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

	<b>Current Year-To-Date Ended 30/06/2018 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/06/2017 RM'000</b>
Net change in cash and cash equivalents	(7,586)	(552)
Effect on exchange rate changes on cash and cash equivalents	282	762
Cash and cash equivalents at beginning of financial period	9,721	10,143
Cash and cash equivalents at end of financial period (Note A)	<u>2,417</u>	<u>10,353</u>

Note:

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

Fixed deposits with licensed bank	3,218	6,583
Cash and bank balances	6,763	8,050
Bank overdraft	<u>(4,346)</u>	<u>(3,852)</u>
	5,635	10,781
Short term fixed deposits with licensed banks with maturity more than 3 months	<u>(3,218)</u>	<u>(428)</u>
	<u>2,417</u>	<u>10,353</u>

**The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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						Total Equity RM'000
	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	
<b>Preceding year corresponding period ended 30 June 2017</b>							
<b>Balance as at 1 January 2017</b>	120,000	(3,678)	226,873	28,292	371,487	1,904	373,391
Effects on adoption of MFRS	-	-	(39,565)	(106)	(39,671)	(160)	(39,831)
Balance as at 1 January 2017 as reported under MFRS	120,000	(3,678)	187,308	28,186	331,816	1,744	333,560
Total comprehensive income/(loss) for the period		-	33,875	(11,668)	22,207	15	22,222
<b>Transactions with owners</b>							
Purchase of treasury share	-	(3,775)	-	-	(3,775)	-	(3,775)
<b>Balance as at 30 June 2017</b>	120,000	(7,453)	221,183	16,518	350,248	1,759	352,007

	Attributable to equity holders of the parent						Total Equity RM'000
	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	
<b>Current year to date ended 30 June 2018</b>							
<b>Balance as at 1 January 2018</b>	120,000	(7,453)	301,551	(7,498)	406,600	28,248	434,848
Effects on adoption of MFRS			(50,638)	188	(50,450)	(356)	(50,806)
Balance as at 1 January 2018 as reported under MFRS	120,000	(7,453)	250,913	(7,310)	356,150	27,892	384,042
Total comprehensive loss for the period	-	-	(17,974)	(17,644)	(35,618)	(6,360)	(41,978)
<b>Transactions with owners</b>							
Dividends	-	-	(1,169)	-	(1,169)	-	(1,169)
Purchase of treasury share	-	(32)	-	-	(32)	-	(32)
<b>Balance as at 30 June 2018</b>	120,000	(7,485)	231,770	(24,954)	319,331	21,532	340,863

**The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.**

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**1. Basis of preparation**

The unaudited interim financial statements have been prepared in accordance with the requirements of *MFRS 134: Interim Financial Reporting* and *paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)*.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. 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 2017.

**2. Significant Accounting Policies**

The financial statements of the Group for the financial period ended 30 June 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework. The date of transition to the MFRS Framework was on 1 January 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from FRS in Malaysia to MFRS as disclosed as follows:

**(a) Bearer plants**

The amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116. After initial recognition, bearer plants will now be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). As the Group is currently measuring the bearer biological assets at cost less amortisation, the change in accounting policies is limited to reclassification of the bearer assets from biological assets to property, plant and equipment and thus, the change will not impact comprehensive income or equity.

**(b) Biological assets**

Prior to the adoption of the Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, biological assets which form part of the bearer plants were not recognised. With the adoption of the Amendments to MFRS 116 and MFRS 141, the biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The changes in fair value less costs to sell of the biological assets was recognised in profit or loss.

**(c) Business combinations**

As part of its transition to MFRS, the Group elected to apply the optional exemption not to restate those business combinations that occurred before the date of transition, 1 January 2017.

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**2. Significant Accounting Policies (Cont.d)**

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows:

**Condensed Consolidated Statement of Financial Position**

	As at 31 December 2017			As at 1 January 2017		
	Previously reported under FRS RM'000	Effects on adoption of MFRS RM'000	Reported under MFRS RM'000	Previously reported under FRS RM'000	Effects on adoption of MFRS RM'000	Reported under MFRS RM'000
<b>Non-current assets</b>						
Property, plant and equipment	258,285	551,534	809,819	264,161	303,532	567,693
Biological assets	611,888	(611,888)	-	352,716	(352,716)	-
<b>Current assets</b>						
Biological assets	-	4,555	4,555	-	4,445	4,445
<b>Equity</b>						
Retained earnings	301,551	(44,008)	257,543	226,873	(33,435)	193,438
Foreign currency translation reserve	(7,498)	(4,689)	(12,187)	28,292	(637)	27,655
<b>Non-controlling interests</b>	28,248	4,689	32,937	1,904	637	2,541
<b>Non-current liabilities</b>						
Deferred tax liabilities	72,531	(11,623)	60,908	31,028	(11,038)	19,990

**Condensed Consolidated Statement of Comprehensive Income**

	Current year quarter 30/6/18			Current year-to-date 30/6/18		
	Previously reported under FRS RM'000	Effects on adoption of MFRS RM'000	Reported under MFRS RM'000	Previously reported under FRS RM'000	Effects on adoption of MFRS RM'000	Reported under MFRS RM'000
Operating expenses	(46,707)	(1,590)	(48,297)	(118,980)	(4,322)	(123,302)
Profit before tax	8,784	(1,590)	7,194	41,962	(4,322)	37,640
Income tax expenses	(1,948)	19	(1,929)	(4,152)	301	(3,851)
Profit for the period	6,836	(1,571)	5,265	37,810	(4,021)	33,789
<b>Income/(loss) for the period attributable to:</b>						
Equity holders of the parent	6,546	(1,498)	5,048	37,745	(3,870)	33,875
Non-controlling interests	290	(73)	217	65	(151)	(86)
	6,836	(1,571)	5,265	37,810	(4,021)	33,789

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**2. Significant Accounting Policies (Cont.d)**

At the date of authorisation of these interim financial statements, the following MFRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

	<b>Effective for annual periods beginning on or after</b>
MFRS 16 Leases	1 January 2019
MFRS 128: Long term Interest in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
MFRS 17: Insurance Contracts	1 January 2021
Amendments to FRS 10 and FRS 128 Sale and Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

**3. Qualified auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

**4. Seasonality or cyclicity 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 16,900 of its issued ordinary shares from the open market at an average price of RM1.96. The total consideration paid for purchases including transaction costs was RM33,339. 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 30 June 2018.



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**8. Dividends paid**

A final single-tier dividend in respect of the financial year ended 31 December 2017 of 1 sen per share on 116,874,800 ordinary shares (excluding 3,125,200 treasury shares), amounting to a dividend payable of RM1,168,748 was approved by the shareholders at the Annual General Meeting held on 28 May 2018 was paid on 21 August 2018.

**9. Segmental reporting**

	<b>Plantation and milling RM'000</b>	<b>Hotel RM'000</b>	<b>Fishery RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>For three months ended</b>					
<b>30 June 2018</b>					
<b>Segment Revenue</b>					
External revenue	52,168	2,046	-	-	54,214
Inter-segment revenue	-	5	-	(5)	-
<b>Total</b>	<b>52,168</b>	<b>2,051</b>	<b>-</b>	<b>(5)</b>	<b>54,214</b>
<b>Segment Results</b>					
Unallocated corporate expense	(681)	541	(4)	-	(144)
Loss from operation					(16,478)
Finance costs					(16,622)
Loss before tax					(4,858)
Income tax expense					(21,480)
Loss for the period					(147)
					<u>(21,627)</u>
<b>For six months ended</b>					
<b>30 June 2018</b>					
<b>Segment Revenue</b>					
External revenue	107,737	4,170	-	-	111,907
Inter-segment revenue	-	7	-	(7)	-
<b>Total</b>	<b>107,737</b>	<b>4,177</b>	<b>-</b>	<b>(7)</b>	<b>111,907</b>
<b>Segment Results</b>					
Unallocated corporate expense	(1,652)	718	(9)	-	(943)
Loss from operation					(14,360)
Finance costs					(15,503)
Loss before tax					(8,513)
Income tax expense					(23,816)
Loss for the period					(1,945)
					<u>(25,761)</u>
<b>For three months ended</b>					
<b>30 June 2017</b>					
<b>Segment Revenue</b>					
External revenue	47,801	2,020	-	-	49,821
Inter-segment revenue	-	5	-	(5)	-
<b>Total</b>	<b>47,801</b>	<b>2,025</b>	<b>-</b>	<b>(5)</b>	<b>49,821</b>
<b>Segment Results</b>					
Unallocated corporate income	7,284	280	(10)	-	7,554
Profit from operation					3,129
Finance costs					10,683
Profit before tax					(3,489)
Income tax expense					7,194
Profit for the period					(1,929)
					<u>5,265</u>

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**9. Segmental reporting**

	<b>Plantation and milling RM'000</b>	<b>Hotel RM'000</b>	<b>Fishery RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>For six months ended 30 June 2017</b>					
<b>Segment Revenue</b>					
External revenue	116,797	3,903	-	-	120,700
Inter-segment revenue	-	7	-	(7)	-
<b>Total</b>	<b>116,797</b>	<b>3,910</b>	<b>-</b>	<b>(7)</b>	<b>120,700</b>
<b>Segment Results</b>					
Unallocated corporate income	16,656	396	(25)	-	17,027
Profit from operation					27,681
Finance costs					(7,068)
Profit before tax					37,640
Income tax expense					(3,851)
Profit for the period					33,789

**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 RM215,511,550 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 30 June 2018, the total amount owing to these financial institutions amounted to RM176,907,156.

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

**14. Capital commitments**

The amount of capital commitments not provided for in the unaudited interim financial report as at 30 June 2018 is as follows:

	<b>RM'000</b>
Approved and contracted	2,502
Approved but not contracted for	9,235
	<b>11,737</b>

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**15. Review of performance**

The Group recorded a loss before tax of RM21.480 million for the current quarter and RM23.816 million for the current year-to-date on the back of turnover of RM54.214 million for the current quarter and RM111.907 million for the current year-to-date respectively. These represent

- (a) an increase of 398% in loss before tax and 9% in revenue as compared to the profit before tax and revenue in the preceding year corresponding quarter ended 30 June 2017 respectively;
- (b) an increase of 163% in loss before tax and a decrease 7% in revenue as compared to the profit before tax and revenue in the preceding year corresponding period ended 30 June 2017 respectively.

The increase in loss before tax for the current quarter and financial year-to-date as compared to preceding corresponding quarter and period was mainly due to net unrealised foreign exchange loss in USD against MYR/IDR of RM11.838 million and RM10.934 million respectively and progressively recognition of newly-matured plantation operating costs from the Group's plantation operations in Indonesia.

The increase in revenue for the current quarter compared to preceding year corresponding quarter was mainly due to higher milling volume from the plantation segment. However, the decrease in revenue for the financial year-to-date compared to preceding year corresponding 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 increased by 9% for the current quarter compared to previous year corresponding quarter was mainly due to higher milling volume. However, the external revenue decreased by 8% for the financial year-to-date compared to preceding year corresponding period 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 a decrease in segment profit of 109% for the current quarter and 110% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. The decrease mainly due to lower sales and prices of CPO & PK.

**Hotel segment**

The external revenue of the hotel segment increased by 1% for current quarter and 7% compared to previous year corresponding quarter and period respectively. Moreover, the hotel segment registered an increase in segment profit of 93% and 81% for the current quarter compared to previous year corresponding quarter and period respectively. The improvement was mainly due to higher room rates in the current quarter and period.

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

The Group recorded a loss before tax of RM21.480 million for the current quarter, which represents a decrease of 819% over the loss before tax of RM2.336 million for the immediate preceding quarter ended 31 March 2018. Management attributes the increase in loss before tax mainly due to unrealised foreign exchange loss in USD against MYR/IDR of RM11.838 million.

**17. Prospects**

**Plantation segment**

Given the recent decline of CPO and PK prices, the Group's plantation segment is expected to register a weaker result for the current financial year. 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 continue improving in the current financial year as Sabah has become one of the most popular travel destinations for Chinese tourists visiting Sabah in the coming years.

**18. Profit forecast**

Not applicable.

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**19. Loss/(profit) for the period**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2018 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2017 RM'000	Current Year- To-Date Ended 30/06/2018 RM'000	Preceding Year Corresponding Period Ended 30/06/2017 RM'000
Amortisation of land use rights	398	69	754	242
Depreciation of property, plant and equipment	8,965	6,204	17,943	12,894
Depreciation of investment property	4	3	7	13
Gain on disposal of a subsidiary	-	-	-	(23,464)
Interest income	(100)	(2,499)	(153)	(4,645)
Other income	(439)	(4,410)	(980)	(4,868)
Net gain on disposal of property, plant and equipment	(18)	(14)	(53)	(11,192)
Net unrealised foreign exchange loss/(gain)	11,838	(2,236)	10,934	(3,141)
Property, plant and equipment written off	72	2	72	2

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 30/06/2018 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2017 RM'000	Current Year- To-Date Ended 30/06/2018 RM'000	Preceding Year Corresponding Period Ended 30/06/2017 RM'000
Tax expense for the period:				
- Malaysian Income Tax	1,126	2,169	2,608	3,499
- Malaysian RPGT	-	-	-	1,598
- relating to origination and reversal of temporary differences	(986)	(200)	(989)	(1,206)
	140	1,969	1,619	3,891
Under provided in prior years:				
- Malaysian Income Tax	7	-	339	-
- Deferred taxation	-	(40)	(13)	(40)
	147	1,929	1,945	3,851

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**21. Status of corporate proposals**

There were no corporate proposals which were announced but not completed as at 24 August 2018.

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

Particulars of the Group's borrowings as at 30 June 2018 are as follows :-

	<b>Secured RM'000</b>
<b>Short term borrowings</b>	
Revolving credits	240,636
Bankers' acceptance	8,237
Bank overdraft	4,346
Term loans	36,231
	<hr/>
	289,450
Hire purchase and lease payables	575
	<hr/>
<b>Sub-total</b>	<b>290,025</b>
	<b>Secured RM'000</b>
<b>Long term borrowings</b>	
Term loans	127,347
Hire purchase and lease payables	916
	<hr/>
<b>Sub-total</b>	<b>128,263</b>
	<hr/>
<b>Total Borrowings</b>	<b>418,288</b>

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

	<b>Foreign Currencies USD'000</b>	<b>RM Equivalent RM'000</b>
USD – Revolving credit @ 4.0375	45,100	182,091

There are no debt securities issued as at 30 June 2018.

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**23. Financial Instruments**

(a) Derivatives

As at 30 June 2018, 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 18 August 2018, 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. (Loss)/earnings per share**

(a) **Basic**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter Ended 30/06/2018 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 30/06/2017 RM'000</b>	<b>Current Year- To-Date Ended 30/06/2018 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30/06/2017 RM'000</b>
(a) (Loss)/profit attributable to equity holders of the parent	(16,973)	5,048	(17,974)	33,875
(b) Weighted average number of shares	116,874	117,793	116,879	117,340
(c) Basic (loss)/ earnings per share (sen)	(14.52)	4.29	(15.38)	28.87

(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.

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

The net assets per share attributable to equity holders of the parent is calculated by dividing the total equity attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period excluding treasury shares as at end of current quarter.

**28. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 August 2018.

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