

Negri Sembilan Oil Palms Berhad (592D)
(Incorporated in Malaysia)

Condensed consolidated income statement
for the first financial quarter and three months ended 31 March 2014

	First financial quarter 31 March		Three months 31 March	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue	20,941	16,803	20,941	16,803
Cost of sales	(12,047)	(8,880)	(12,047)	(8,880)
Gross profit	8,894	7,923	8,894	7,923
Interest income	644	664	644	664
Dividend income	138	113	138	113
Other income	122	194	122	194
Selling expenses	(405)	(400)	(405)	(400)
Administrative expenses	(4,470)	(4,130)	(4,470)	(4,130)
Replanting expenses	(1,047)	(906)	(1,047)	(906)
Other expenses	(53)	(161)	(53)	(161)
Share of results of associates	(154)	88	(154)	88
Share of results of a joint venture	(287)	(303)	(287)	(303)
Profit before tax	3,382	3,082	3,382	3,082
Income tax expense	(843)	(686)	(843)	(686)
Profit net of tax	2,539	2,396	2,539	2,396
Attributable to:				
Owners of the parent	2,175	2,109	2,175	2,109
Non-controlling interest	364	287	364	287
	2,539	2,396	2,539	2,396
Earnings per stock unit attributable to owners of the parent (sen)				
Basic	3.10	3.00	3.10	3.00
Diluted	3.10	3.00	3.10	3.00

Negri Sembilan Oil Palms Berhad (592D)
(Incorporated in Malaysia)

Condensed consolidated statement of comprehensive income
for the first financial quarter and three months ended 31 March 2014

	First financial quarter 31 March		Three months 31 March	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit net of tax	2,539	2,396	2,539	2,396
Other comprehensive (loss)/income:				
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	(62)	635	(62)	635
Net (loss)/gain on fair value changes of available-for-sale investment securities	(832)	1,395	(832)	1,395
Share of other comprehensive income of an associate	6	5	6	5
Total other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(888)	2,035	(888)	2,035
Total comprehensive income for the period	1,651	4,431	1,651	4,431
Attributable to:				
Owners of the parent	1,472	3,710	1,472	3,710
Non-controlling interest	179	721	179	721
	1,651	4,431	1,651	4,431

Negri Sembilan Oil Palms Berhad (592D)
(Incorporated in Malaysia)

Condensed consolidated statement of financial position
As at 31 March 2014

	31.3.2014	31.12.2013
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	218,702	219,064
Biological assets	56,300	56,300
Investments in associates	21,437	21,617
Investment in a joint venture	19,335	19,652
Investment securities	62,762	58,903
	<u>378,536</u>	<u>375,536</u>
Current assets		
Inventories	2,973	2,254
Receivables	5,897	6,304
Income tax recoverable	366	555
Cash and bank balances	124,294	127,659
	<u>133,530</u>	<u>136,772</u>
Total assets	<u>512,066</u>	<u>512,308</u>
Current liabilities		
Payables	6,656	8,874
Income tax payable	889	479
	<u>7,545</u>	<u>9,353</u>
Non-current liabilities		
Deferred tax liabilities	36,563	36,648
Total liabilities	<u>44,108</u>	<u>46,001</u>
Equity attributable to owners of the parent		
Share capital	70,202	70,202
Share premium	4,336	4,336
Other reserves	119,954	120,796
Retained profits	194,411	192,097
	<u>388,903</u>	<u>387,431</u>
Non-controlling interest	79,055	78,876
Total equity	<u>467,958</u>	<u>466,307</u>
Total equity and liabilities	<u>512,066</u>	<u>512,308</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>5.54</u>	<u>5.52</u>

Negri Sembilan Oil Palms Berhad (592D)
(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity
for the three months ended 31 March 2014

		Attributable to owners of the parent									
		Equity attributable to owners of the parent					Non-Distributable				
		Equity total	Share capital	Share premium	Retained profits	Asset revaluation reserve - land	Foreign currency translation reserve	Fair value adjustment reserve	Non-controlling interest		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013		452,320	70,202	4,336	179,398	109,367	2,181	11,114	75,722		
Profit for the period		2,396	-	-	2,109	-	-	-	287		
Other comprehensive income		2,035	-	-	-	-	541	1,060	434		
Revaluation reserve of leasehold land realised		-	-	-	181	(181)	-	-	-		
At 31 March 2013		456,751	70,202	4,336	181,688	109,186	2,722	12,174	76,443		
At 1 January 2014		466,307	70,202	4,336	192,097	105,535	1,509	13,752	78,876		
Profit for the period		2,539	-	-	2,175	-	-	-	364		
Other comprehensive loss		(888)	-	-	-	-	(56)	(647)	(185)		
Revaluation reserve of leasehold land realised		-	-	-	139	(139)	-	-	-		
At 31 March 2014		467,958	70,202	4,336	194,411	105,396	1,453	13,105	79,055		

Negri Sembilan Oil Palms Berhad (592D)
(Incorporated in Malaysia)

Condensed consolidated statement of cash flows
for the three months ended 31 March 2014

	31.3.2014	31.3.2013
	RM'000	RM'000
Operating activities		
Profit before tax	3,382	3,082
Adjustments		
Depreciation of property, plant and equipment	950	829
Gain on sale of property, plant and equipment	(25)	-
Gross dividend income	(138)	(113)
Interest income	(644)	(664)
Net fair value gain on available-for-sale securities (transferred from equity on disposal)	-	(173)
Share of results of associates	154	(88)
Share of results of a joint venture	287	303
Unrealised loss on foreign exchange	53	165
Total adjustments	<u>637</u>	<u>259</u>
Operating cash flows before changes in working capital	4,019	3,341
Changes in working capital		
(Increase)/decrease in inventories	(719)	852
Decrease/(increase) in receivables	389	(50)
Decrease in payables	(2,218)	(3,189)
Total changes in working capital	<u>(2,548)</u>	<u>(2,387)</u>
Cash flows from operations	1,471	954
Taxes paid	(330)	(1,665)
Net cash flows generated from/(used in) operating activities	<u>1,141</u>	<u>(711)</u>
Investing activities		
Interest received	662	627
Net dividends received	114	113
Purchase of property, plant and equipment	(588)	(852)
Purchase of investment securities	(4,666)	(3,904)
Proceeds from sale of property, plant and equipment	25	-
Proceeds from sale of investment securities	-	1,260
Net cash flows used in investing activities	<u>(4,453)</u>	<u>(2,756)</u>
Net decrease in cash and cash equivalents	(3,312)	(3,467)
Effects of exchange rate changes on cash and cash equivalents	(53)	(165)
Cash and cash equivalents at beginning of period	127,289	129,547
Cash and cash equivalents at end of period	<u>123,924</u>	<u>125,915</u>

Notes to the interim financial report - 31 March 2014

A Explanatory notes - FRS 134 : Interim Financial Reporting

A 1 Basis of preparation

The interim financial report has been prepared in accordance with FRS 134 : Interim Financial Reporting and Chapter 9 Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report is unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the financial year ended 31 December 2013 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2014. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial statements of the Group.

The Group has not adopted those new standards, amendments to standards and interpretations that have been issued but not yet effective. The directors expect that the adoption of those new standards, amendments to standards and interpretations will not have a material impact on the financial statements in the period of initial application.

The extensive disclosures of qualitative and quantitative information about exposures to risks from financial instruments will be made in the audited annual financial statements of the Group.

Malaysian Financial Reporting Standards (MFRS 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").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing Financial Reporting Standards (FRS) Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2015. 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 profits.

The Group has commenced transitioning its accounting policies and financial reporting from the current Financial Reporting Standards to MFRS Framework. At the date of these interim financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ending 31 December 2014 could be different if prepared under the MFRS Framework.

Notes to the interim financial report - 31 March 2014

A 2 Seasonal or cyclical nature of operations

The revenue and earnings are impacted by the production of fresh fruit bunches and volatility of the selling prices of fresh fruit bunches, crude palm oil and palm kernel.

The production of fresh fruit bunches depends on weather conditions, production cycle of the palms and the age of the palms.

The plantation statistics are as follows:

Average planted area for three months ended 31 March 2014:

	Hectares			
Mature	6,148			
Replanting and immature	1,031			
	<u>7,179</u>			
	First financial quarter		Three months	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Production (m/t)				
fresh fruit bunches				
Own estates	25,842	27,514	25,842	27,514
Purchase	10,637	3,058	10,637	3,058
	<u>36,479</u>	<u>30,572</u>	<u>36,479</u>	<u>30,572</u>
Crude palm oil	5,639	4,502	5,639	4,502
Palm kernel	1,476	1,105	1,476	1,105
Extraction Rate				
Crude palm oil	19.18%	19.11%	19.18%	19.11%
Palm kernel	5.02%	4.69%	5.02%	4.69%

A 3 Items of unusual nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period.

A 4 Changes in estimates of amounts reported

There were no changes in estimates of amounts reported in prior financial years and prior interim periods that have a material effect in the current interim period.

A 5 Changes in debt and equity securities

There were no issuances, repurchases and repayments of debts and equity securities for the three months ended 31 March 2014.

A 6 Fair value changes of financial liabilities

As at 31 March 2014, the Group did not have any financial liabilities measured at fair value through profit or loss.

A 7 Dividends paid

No dividends were paid during the three months ended 31 March 2014.

Notes to the interim financial report - 31 March 2014

A 8 Segment information

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The Group's principal activities involve predominantly the cultivation of oil palms, production and sale of fresh fruits bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

The segment information are as follows:

	First financial quarter		Three months	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	20,941	16,803	20,941	16,803
Revenue from major customers	17,010	10,000	17,010	10,000
Reportable segment profit	3,069	2,487	3,069	2,487

Reportable segment's profit are reconciled as follows:

Total profit for reportable segment	3,069	2,487	3,069	2,487
Share of results of associates	(154)	88	(154)	88
Share of results of a joint venture	(287)	(303)	(287)	(303)
Interest income	644	664	644	664
Dividend income	138	113	138	113
Other income	25	194	25	194
Other expenses	(53)	(161)	(53)	(161)
Profit before tax	3,382	3,082	3,382	3,082

	31.3.2014	31.12.2013
	RM'000	RM'000
Reportable segment assets	286,701	289,347

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	286,701	289,347
Investments in associates	21,437	21,617
Investment in a joint venture	19,335	19,652
Investment securities	62,762	58,903
Unallocated assets	121,831	122,789
Total assets	512,066	512,308

Reportable segment liabilities	6,656	8,874
--------------------------------	-------	-------

Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	6,656	8,874
Income tax payable	889	479
Deferred tax liabilities	36,563	36,648
Total liabilities	44,108	46,001

A 9 Property, plant and equipment

There were no significant acquisitions and disposals of property, plant and equipment for the three months ended 31 March 2014.

Notes to the interim financial report - 31 March 2014

A 10 Material events subsequent to first financial quarter

Other than the declaration of the first interim dividend as disclosed in Note B10, there were no material events subsequent to the first financial quarter that have not been reflected in the financial statements for the financial quarter ended 31 March 2014.

A 11 Changes in composition of the Group

Other than the purchase and sale of quoted investments, there were no business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinued operations.

A 12 Contingent liabilities and contingent assets

As at the date of issue of this interim financial report, there were no contingent liabilities and contingent assets that had arisen since 31 December 2013.

A 13 Related party disclosures

	Three months 31.3.2014 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Marketing consultancy fee	118
Sale of oil palm produce	<u>111</u>
(b) Related corporation in which certain directors and substantial shareholders have interests	<u>3,900</u>
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	<u>44</u>
	As at 31.3.2014 RM'000
(d) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	<u>1,492</u>
(e) Included in payables is an amount due to: -	
Associate in which certain directors and substantial shareholders have interests	<u>4</u>

Notes to the interim financial report - 31 March 2014

B Information as required by the Main Market Listing Requirements (Part A of Appendix 9B) of Bursa Malaysia Securities Berhad

B 1 Review of performance

First financial quarter and three months ended 31 March 2014

Revenue in the current financial quarter improved by 24.63% to RM20,941,000 from RM16,803,000 a year ago. This was due mainly to substantial increase in the sales volume of crude palm oil and improvement in the average selling prices of ffb, crude palm oil and palm kernel.

The production of ffb was lower. However, the purchase of ffb were higher. Overall, the production of crude palm oil and palm kernel were higher.

Overall operating expenses were higher due mainly to an increase in the purchase of ffb.

As reported previously, harvesting of newly matured fields in the oil palm plantation of the joint venture in Indonesia has been delayed due to the unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities.

Overall, profit after tax improved by 5.97% to RM2,539,000 from RM2,396,000 a year ago due mainly to the reasons mentioned above.

B 2 Material change in the profit before tax for the first financial quarter compared with the immediate preceding quarter

Revenue in the current financial quarter under review decreased by 9.09% to RM20,941,000 from RM23,034,000 in the immediate preceding quarter due mainly to decrease in the sales volume of ffb, crude palm oil and palm kernel even though the average selling prices were higher.

The production of ffb was lower. Purchase of ffb was also lower. Correspondingly, the production of crude palm oil and palm kernel were lower.

Overall operating expenses were lower due mainly to lesser application of fertilisers in the current financial quarter and a decrease in administrative expense.

Share of loss of a joint venture was lower.

Profit before tax decreased by 81.38%. This was due mainly to the favourable adjustment of RM17,500,000 representing the increase in the fair value of biological assets recognised in the income statement arising from the valuation of biological assets performed by a professional valuer in the preceding financial quarter.

Excluding the adjustment in the fair value of biological assets, profit before tax increased by 407.05% due mainly to the reasons mentioned above.

B 3 Prospects for financial year ending 31 December 2014

The selling prices of ffb, crude palm oil and palm kernel have strengthened since the end of the financial year ended 31 December 2013. Should this trend continue, it would have a corresponding effect on the financial performance for the financial year ending 31 December 2014.

Notes to the interim financial report - 31 March 2014

B 4 Variance of actual profit from forecast profit and shortfall in profit guarantee

There were no profit forecasts prepared for public release and profit guarantees provided by the Group.

B 5 Income tax expense

	First financial quarter 31.3.2014 RM'000	Three months 31.3.2014 RM'000
Current income tax	928	928
Deferred income tax	(85)	(85)
	<u>843</u>	<u>843</u>

The effective tax rate is lower than the statutory rate due mainly to certain income which are not assessable to income tax purposes.

B 6 Status of corporate proposals

On 10 April 2006, the Company entered into a conditional joint venture and shareholders agreement with Timor Oil Palm Plantation Berhad, a 58.0% owned subsidiary of the Company, Eng Thye Plantations Berhad, an 83.3% owned subsidiary of the Company, Seong Thye Plantations Sdn Bhd, Chin Teck Plantations Berhad and Chin Thye Investment Pte Ltd ('Singapore JVSA') to participate in a joint venture project for the development of an oil palm plantation in Indonesia with P.T. Lampung Karya Indah. ('Proposed Joint Venture'), the details of which are set out in the Circular to Shareholders dated 11 May 2006.

The approval of the Shareholders of the Company was obtained at the Extraordinary General Meeting of the Company held on 26 May 2006.

The conditions precedent as set out in the Singapore JVSA have been fulfilled and the necessary approvals required for the subscription of shares in Chin Thye Investment Pte Ltd have been obtained.

The subscriptions of shares by the Group in Chin Thye Investment Pte Ltd in the previous financial years are as follows:-

Financial year	No. of shares	Amount (RM)
31.12.2006	7,200,000	16,950,000
31.12.2007	-	-
31.12.2008	3,400,000	8,140,000
31.12.2009	1,060,000	2,542,000
31.12.2010	-	-
31.12.2011	-	-
31.12.2012	-	-
31.12.2013	-	-
	<u>11,660,000</u>	<u>27,632,000</u>

There were no further subscription of shares during the three months period under review and the period since the end of current financial quarter under review to the date of issue of this interim report.

Notes to the interim financial report - 31 March 2014

B 7 Borrowings and debt securities

As at 31 March 2014, there were no borrowings and debt securities.

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the three months period ended 31 March 2014.

B 9 Material litigation

There were no material litigations as at 31 December 2013 and at the date of issue of this interim financial report.

B 10 Dividends

(i) A first interim dividend in respect of the financial year ending 31 December 2014 has been declared by the Board of Directors.

(ii) The amount per stock unit: 5%, single tier.

(iii) The date payable for the first interim dividend of 5%, single tier: 30 June 2014.

(iv) In respect of deposited securities, entitlement to the first interim dividend of 5% single tier will be determined on the basis of the record of depositors as at 16 June 2014.

(v) The total dividends for the current financial year ending 31 December 2014:-

<u>Type of dividend</u>	%
First interim, single tier	<u>5.00</u>

(vi) The total dividends for the financial year ended 31 December 2013:-

<u>Type of dividend</u>	%
First interim, single tier	4.00
Second interim, single tier	<u>5.00</u>
	<u>9.00</u>

B 11 Earnings per stock unit

The basic and diluted earnings per stock unit are calculated as follows: -

	First financial quarter		Three months	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Profit attributable to owners of the parent (RM'000)	<u>2,175</u>	<u>2,109</u>	<u>2,175</u>	<u>2,109</u>
Weighted average number of stock units ('000)	<u>70,202</u>	<u>70,202</u>	<u>70,202</u>	<u>70,202</u>
Earnings per stock unit (sen)				
Basic	3.10	3.00	3.10	3.00
Diluted	<u>3.10</u>	<u>3.00</u>	<u>3.10</u>	<u>3.00</u>

The diluted earnings per stock unit is similar to basic earnings per stock unit as there is no potential dilutive ordinary stock units outstanding as at end of the financial quarter.

Notes to the interim financial report - 31 March 2014

B 12 Realised and unrealised profit/losses disclosure

	As at 31.3.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	204,827	201,543
Unrealised	36,266	36,360
	<u>241,093</u>	<u>237,903</u>
Total share of retained profits/(accumulated losses) from associates		
Realised profits	2,058	2,155
Unrealised (losses)/profits	(2)	54
Total share of retained profits/(accumulated losses) from a joint venture		
Unrealised profits	4,546	4,552
Realised losses	(9,373)	(9,132)
	<u>238,322</u>	<u>235,532</u>
Less: consolidation adjustments	(43,911)	(43,435)
Total Group retained profits as per consolidated accounts	<u>194,411</u>	<u>192,097</u>

B 13 Notes to condensed statement of comprehensive income

	First financial quarter 31.3.2014 RM'000	Three months 31.3.2014 RM'000
Interest income	644	644
Other income including investment income	138	138
Interest expense	-	-
Depreciation	(950)	(950)
Provision for and write off of receivables	-	-
Gain on disposal of quoted investments	-	-
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	(53)	(53)
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

B 14 Auditors' report on preceding annual financial statements

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

By Order of the Board

Gan Kok Tiong
 Company Secretary
 29 May 2014