

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

Condensed consolidated income statement
for the first financial quarter and three months ended 31 March 2015

	First		Three months	
	financial quarter		31 March	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	17,814	20,941	17,814	20,941
Cost of sales	(12,164)	(12,047)	(12,164)	(12,047)
Gross profit	5,650	8,894	5,650	8,894
Interest income	634	644	634	644
Dividend income	161	138	161	138
Other income	715	122	715	122
Selling expenses	(322)	(405)	(322)	(405)
Administrative expenses	(5,518)	(4,470)	(5,518)	(4,470)
Replanting expenses	(1,411)	(1,047)	(1,411)	(1,047)
Other expenses	-	(53)	-	(53)
Share of results of associates	470	(154)	470	(154)
Share of results of a joint venture	(253)	(287)	(253)	(287)
Profit before tax	126	3,382	126	3,382
Income tax credit/(expense)	283	(843)	283	(843)
Profit net of tax	409	2,539	409	2,539
Attributable to:				
Owners of the parent	421	2,175	421	2,175
Non-controlling interests	(12)	364	(12)	364
	409	2,539	409	2,539
Earnings per stock unit attributable to owners of the parent (sen)				
Basic	0.60	3.10	0.60	3.10
Diluted	0.60	3.10	0.60	3.10

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 2015

	First financial quarter 31 March		Three months 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit net of tax	409	2,539	409	2,539
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	256	(62)	256	(62)
Net gain/(loss) on fair value changes of available-for-sale investment securities	1,618	(832)	1,618	(832)
Share of other comprehensive income of an associate	7	6	7	6
Total other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	1,881	(888)	1,881	(888)
Total comprehensive income for the period	2,290	1,651	2,290	1,651
Attributable to:				
Owners of the parent	1,872	1,472	1,872	1,472
Non-controlling interests	418	179	418	179
	2,290	1,651	2,290	1,651

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

Condensed consolidated statement of financial position
As at 31 March 2015

	31.3.2015	31.12.2014
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	220,207	219,927
Biological assets	38,400	38,400
Investments in associates	23,091	22,690
Investment in a joint venture	19,435	19,357
Investment securities	72,564	70,616
	<u>373,697</u>	<u>370,990</u>
Current assets		
Inventories	4,539	2,181
Receivables	6,648	5,149
Income tax recoverable	3,108	2,005
Cash and bank balances	113,358	118,346
	<u>127,653</u>	<u>127,681</u>
Total assets	<u>501,350</u>	<u>498,671</u>
Current liabilities		
Payables	<u>8,833</u>	<u>8,356</u>
Non-current liabilities		
Deferred tax liabilities	<u>31,787</u>	<u>31,875</u>
Total liabilities	<u>40,620</u>	<u>40,231</u>
Equity attributable to owners of the parent		
Share capital	70,202	70,202
Share premium	4,336	4,336
Other reserves	124,322	123,057
Retained profits	183,553	182,946
	<u>382,413</u>	<u>380,541</u>
Non-controlling interests	<u>78,317</u>	<u>77,899</u>
Total equity	<u>460,730</u>	<u>458,440</u>
Total equity and liabilities	<u>501,350</u>	<u>498,671</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>5.45</u>	<u>5.42</u>

Condensed consolidated statement of changes in equity
for the three months ended 31 March 2015

	Equity attributable to owners of the parent, total		Non-Distributable			Distributable			Non-Distributable				Non-controlling interests
	RM'000	RM'000	Share capital	Share premium	Share	Retained profits	Other reserves total	Asset revaluation reserve - land	Foreign currency translation reserve	Employee benefits plan reserve of a joint venture	Fair value adjustment reserve	RM'000	
At 1 January 2014	466,307	387,431	70,202	4,336	4,336	192,097	120,796	105,535	1,509	-	13,752	78,876	
Profit for the period	2,539	2,175	-	-	-	2,175	-	-	-	-	-	364	
Other comprehensive (loss)/income	(888)	(703)	-	-	-	-	(703)	-	(56)	-	(647)	(185)	
Revaluation reserve of leasehold land realised	-	-	-	-	-	139	(139)	(139)	-	-	-	-	
At 31 March 2014	467,958	388,903	70,202	4,336	4,336	194,411	119,954	105,396	1,453	-	13,105	79,055	
At 1 January 2015	458,440	380,541	70,202	4,336	4,336	182,946	123,057	104,788	2,307	53	15,909	77,899	
Profit for the period	409	421	-	-	-	421	-	-	-	-	-	(12)	
Other comprehensive income	1,881	1,451	-	-	-	-	1,451	-	216	-	1,235	430	
Revaluation reserve of leasehold land realised	-	-	-	-	-	186	(186)	(186)	-	-	-	-	
At 31 March 2015	460,730	382,413	70,202	4,336	4,336	183,553	124,322	104,602	2,523	53	17,144	78,317	

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

Condensed consolidated statement of cash flows
for the three months ended 31 March 2015

	31.3.2015	31.3.2014
	RM'000	RM'000
Operating activities		
Profit before tax	126	3,382
Adjustments		
Depreciation of property, plant and equipment	1,102	950
Dividend income	(161)	(138)
Gain on sale of property, plant and equipment	-	(25)
Interest income	(634)	(644)
Net fair value gain on available-for-sale securities (transferred from equity on disposal)	(317)	-
Share of results of associates	(470)	154
Share of results of a joint venture	253	287
Unrealised (gain)/loss on foreign exchange	(359)	53
Total adjustments	(586)	637
Operating cash flows before changes in working capital	(460)	4,019
Changes in working capital		
Increase in inventories	(2,358)	(719)
(Increase)/decrease in receivables	(1,521)	389
Increase/(decrease) in payables	477	(2,218)
Total changes in working capital	(3,402)	(2,548)
Cash flows (used in)/generated from operations	(3,862)	1,471
Taxes paid	(905)	(330)
Net cash flows (used in)/generated from operating activities	(4,767)	1,141
Investing activities		
Dividends received	146	114
Interest received	655	662
Purchase of property, plant and equipment	(1,382)	(588)
Purchase of investment securities	(1,729)	(4,666)
Proceeds from sale of property, plant and equipment	-	25
Proceeds from sale of investment securities	1,730	-
Net cash flows used in investing activities	(580)	(4,453)
Net decrease in cash and cash equivalents	(5,347)	(3,312)
Effects of exchange rate changes on cash and cash equivalents	359	(53)
Cash and cash equivalents at beginning of period	117,965	127,289
Cash and cash equivalents at end of period	112,977	123,924

Notes to the interim financial report - 31 March 2015

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 2014.

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 2014 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 2015. 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 except as described below.

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but no impact on the classification and measurement of the Group's and the Company's financial liabilities.

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).

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 2017.

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 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 profits.

Under the FRS Framework, the Group's accounting policy for biological assets are disclosed in Note 2.11 to the financial statements for the financial year ended 31 December 2014. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) using either the cost model or revaluation model (after maturity). The amendments also require that agricultural produce, which is the harvested produce of an entity's biological assets will remain in the scope of MFRS 141 and are measured at fair value less costs to sell.

Notes to the interim financial report - 31 March 2015

A 1 Basis of preparation (cont'd.)

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 2015 could be different if prepared under the MFRS Framework.

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 2015:

	Hectares
Mature	5,999
Replanting and immature	1,174
	<u>7,173</u>

	First financial quarter		Three months	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
Production (m/t)				
fresh fruit bunches				
Own estates	24,410	25,842	24,410	25,842
Purchase	11,413	10,637	11,413	10,637
	<u>35,823</u>	<u>36,479</u>	<u>35,823</u>	<u>36,479</u>
Crude palm oil	4,825	5,639	4,825	5,639
Palm kernel	1,333	1,476	1,333	1,476
Extraction Rate				
Crude palm oil	18.58%	19.18%	18.58%	19.18%
Palm kernel	5.13%	5.02%	5.13%	5.02%

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 2015.

A 6 Fair value changes of financial liabilities

As at 31 March 2015, the Group did not have any financial liabilities measured at fair value through profit or loss.

Notes to the interim financial report - 31 March 2015

A 7 Dividends paid

No dividends were paid during the three months ended 31 March 2015.

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	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	17,814	20,941	17,814	20,941
Revenue from major customers	16,070	17,010	16,070	17,010
Reportable segment (loss)/profit	(1,574)	3,069	(1,574)	3,069

Reportable segment's (loss)/profit are reconciled as follows:

Total (loss)/profit for reportable segment	(1,574)	3,069	(1,574)	3,069
Share of results of associates	470	(154)	470	(154)
Share of results of a joint venture	(253)	(287)	(253)	(287)
Interest income	634	644	634	644
Dividend income	161	138	161	138
Other income	688	25	688	25
Other expenses	-	(53)	-	(53)
Profit before tax	126	3,382	126	3,382

	31.3.2015	31.12.2014
	RM'000	RM'000
Reportable segment assets	272,559	271,659

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	272,559	271,659
Investments in associates	23,091	22,690
Investment in a joint venture	19,435	19,357
Investment securities	72,564	70,616
Unallocated assets	113,701	114,349
Total assets	501,350	498,671

Reportable segment liabilities	8,833	8,356
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Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	8,833	8,356
Deferred tax liabilities	31,787	31,875
Total liabilities	40,620	40,231

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 2015.

Notes to the interim financial report - 31 March 2015

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 2015.

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 2014.

A 13 Related party disclosures

	Three months 31.3.2015 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Marketing consultancy fee	122
Purchase of oil palm produce	<u>645</u>
(b) A related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	<u>4,180</u>
(c) An associate in which certain directors and substantial shareholders have interests	
Management fee	<u>576</u>
	As at 31.3.2015 RM'000
(d) Included in receivables are amounts due from: -	
A company in which certain directors and substantial shareholders have interests	368
A related corporation in which certain directors and substantial shareholders have interests	<u>1,578</u>
(e) Included in payables is an amount due to: -	
An associate in which certain directors and substantial shareholders have interests	<u>232</u>

Notes to the interim financial report - 31 March 2015

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 2015

Revenue in the current financial quarter under review decreased by 14.93% to RM17,814,000 from RM20,941,000 a year ago. This was mainly due to substantial decreases in the average selling prices of ffb, crude palm oil and palm kernel and sales volume of crude palm oil and palm kernel even though the sales volume of ffb increased.

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

Overall operating expenses were higher due mainly to an increase in administrative expenses.

As reported previously, harvesting of newly mature 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 net of tax decreased by 83.89% to RM409,000 from RM2,539,000 mainly due to a decrease in revenue and an increase in overall operating expenses.

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 1.69% to RM17,814,000 from RM18,121,000 in the immediate preceding quarter due mainly to decreases in the sales volume of ffb, crude palm oil and palm kernel even though the average selling prices of ffb, crude palm oil and palm kernel were higher.

The production and purchase of ffb were lower. Correspondingly, the production of crude palm oil and palm kernel were lower.

The Group recorded a profit before tax of RM126,000 in the first financial quarter under review as compared with a loss before tax of RM18,262,000 in the immediate preceding financial quarter. This was mainly due to an unfavourable adjustment of RM17,900,000 representing the decrease 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, the Group recorded a profit before tax in the current financial quarter of RM126,000 as compared with a loss before tax of RM362,000 mainly due to a decrease in overall operating expenses even though revenue decreased and an overall profit from its shares of results of associates, attributable to the positive contribution from an associate engaged in trading of stocks and shares.

B 3 Prospects for financial year ending 31 December 2015

The selling prices of ffb and crude palm oil have weakened since the end of the financial year 2014. Should this trend continue, it would have a corresponding effect on the financial performance for the financial year ending 31 December 2015.

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.

Notes to the interim financial report - 31 March 2015

B 5 Income tax credit

	First financial quarter 31.3.2015 RM'000	Three months 31.3.2015 RM'000
Current income tax	(195)	(195)
Deferred income tax	(88)	(88)
	<u>(283)</u>	<u>(283)</u>

The effective tax rates are higher than the statutory rate due mainly to certain income which are not assessable for income tax purpose and the effect of share of results of associates.

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.

As at 31 March 2015, the Group had subscribed 11,660,000 shares in Chin Thye Investment Pte Ltd for a total cash consideration of RM27,632,000.

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.

	31.3.2015 RM'000
Remaining capital and investment outlay	<u>22,769</u>

B 7 Borrowings and debt securities

As at 31 March 2015, 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 2015.

B 9 Material litigation

There were no material litigations as at 31 December 2014 and at the date of issue of this interim financial report.

Notes to the interim financial report - 31 March 2015

B 10 Dividends

- (i) A first interim dividend in respect of the financial year ending 31 December 2015 has been declared by the Board of Directors.
- (ii) The amount per stock unit: 3%, single tier.
- (iii) The date payable for the first interim single tier dividend of 3%: 30 June 2015.
- (iv) In respect of deposited securities, entitlement to the first interim single tier dividend of 3% will be determined on the basis of the record of depositors as at 16 June 2015.
- (v) The total dividends for the current financial year ending 31 December 2015:-

<u>Type of dividend</u>	%
First interim, single tier	<u>3.00</u>

- (vi) The total dividends for the financial year ended 31 December 2014:-

<u>Type of dividend</u>	%
First interim, single tier	5.00
Second interim, single tier	<u>4.00</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	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
Profit attributable to owners of the parent (RM'000)	<u>421</u>	<u>2,175</u>	<u>421</u>	<u>2,175</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	0.60	3.10	0.60	3.10
Diluted	<u>0.60</u>	<u>3.10</u>	<u>0.60</u>	<u>3.10</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 2015

B 12 Realised and unrealised profit/losses disclosure

	As at 31.3.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	203,639	204,306
Unrealised	23,668	22,551
	<u>227,307</u>	<u>226,857</u>
Total share of retained profits from associates		
Realised	2,568	2,530
Unrealised	946	539
Total share of retained profits/(accumulated losses) from a joint venture		
Unrealised profits	4,609	4,531
Realised losses	(10,366)	(10,070)
	<u>225,064</u>	<u>224,387</u>
Less: consolidation adjustments	(41,511)	(41,441)
Total Group retained profits as per consolidated financial statements	<u>183,553</u>	<u>182,946</u>

B 13 Notes to condensed statement of comprehensive income

	First financial quarter 31.3.2015 RM'000	Three months 31.3.2015 RM'000
Interest income	634	634
Other income including investment income	161	161
Interest expense	-	-
Depreciation	(1,102)	(1,102)
Provision for and write off of receivables	-	-
Gain on disposal of quoted investments	317	317
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	359	359
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 2014 was not qualified.

By Order of the Board

Gan Kok Tiong
 Company Secretary
 28 May 2015