

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

**Condensed consolidated statements of profit or loss**  
**For the first financial quarter ended 31 March 2018**

	First financial quarter 31 March		Three months 31 March	
	2018 RM'000	2017 RM'000 (Restated)	2018 RM'000	2017 RM'000 (Restated)
Revenue	16,910	20,752	16,910	20,752
Cost of sales	(12,040)	(12,988)	(12,040)	(12,988)
Gross profit	4,870	7,764	4,870	7,764
Interest income	793	721	793	721
Dividend income	169	131	169	131
Other income	9,551	1,173	9,551	1,173
Selling expenses	(415)	(338)	(415)	(338)
Administrative expenses	(4,895)	(4,972)	(4,895)	(4,972)
Other expenses	(858)	-	(858)	-
Share of results of associates	920	769	920	769
Share of results of a joint venture	(156)	(34)	(156)	(34)
Profit before tax	9,979	5,214	9,979	5,214
Income tax expense	(346)	(413)	(346)	(413)
Profit net of tax	9,633	4,801	9,633	4,801
Attributable to:				
Owners of the Company	7,007	4,033	7,007	4,033
Non-controlling interests	2,626	768	2,626	768
	9,633	4,801	9,633	4,801
Earnings per stock unit attributable to owners of the Company (sen)				
Basic	9.98	5.74	9.98	5.74
Diluted	9.98	5.74	9.98	5.74

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

**Condensed consolidated statements of comprehensive income**  
**For the first financial quarter ended 31 March 2018**

	First financial quarter 31 March		Three months 31 March	
	2018 RM'000	2017 RM'000 (Restated)	2018 RM'000	2017 RM'000 (Restated)
Profit net of tax	9,633	4,801	9,633	4,801
Other comprehensive (loss)/income:				
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	(1,982)	905	(1,982)	905
Net (loss)/gain on fair value changes of available-for-sale investment securities	(6,108)	6,408	(6,108)	6,408
Total other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods, representing total other comprehensive (loss)/income	(8,090)	7,313	(8,090)	7,313
Total comprehensive income for the period	1,543	12,114	1,543	12,114
Attributable to:				
Owners of the Company	950	9,577	950	9,577
Non-controlling interests	593	2,537	593	2,537
	1,543	12,114	1,543	12,114

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

**Condensed consolidated statement of financial position**  
**As at 31 March 2018**

	31.03.2018	31.12.2017
	RM'000	RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	483,038	483,353
Investments in associates	30,023	30,286
Investment in a joint venture	11,188	12,142
Investment securities	74,932	87,197
	<u>599,181</u>	<u>612,978</u>
<b>Current assets</b>		
Inventories	2,165	3,047
Consumable biological assets	2,137	2,054
Receivables	7,381	6,887
Income tax recoverable	1,842	1,456
Cash and bank balances	141,315	128,867
	<u>154,840</u>	<u>142,311</u>
<b>Total assets</b>	<u>754,021</u>	<u>755,289</u>
<b>Current liabilities</b>		
Payables	7,602	10,175
Income tax payable	-	231
	<u>7,602</u>	<u>10,406</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	65,603	65,610
<b>Total liabilities</b>	<u>73,205</u>	<u>76,016</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	74,538	74,538
Other reserves	19,415	25,472
Retained profits	473,388	466,381
	<u>567,341</u>	<u>566,391</u>
<b>Non-controlling interests</b>	113,475	112,882
<b>Total equity</b>	<u>680,816</u>	<u>679,273</u>
<b>Total equity and liabilities</b>	<u>754,021</u>	<u>755,289</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>8.08</u>	<u>8.07</u>

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

Condensed consolidated statement of changes in equity  
For the first financial quarter ended 31 March 2018

	Non-Distributable		Distributable		Non-Distributable		Non-controlling interests RM'000	
	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Other reserves, total RM'000	Other reserves		
						Foreign currency translation reserve RM'000	Employee benefits reserve of a joint venture RM'000	Fair value adjustment reserve RM'000
At 1 January 2017 (Restated)	661,814	70,202	4,336	461,115	17,886	1,057	67	16,762
Profit for the period	4,801	-	-	4,033	-	-	-	-
Other comprehensive income	7,313	-	-	-	5,544	829	-	4,715
At 31 March 2017 (Restated)	673,928	70,202	4,336	465,148	23,430	1,886	67	21,477
At 1 January 2018	679,273	74,538	-	466,381	25,472	(75)	67	25,480
Profit for the period	9,633	-	-	7,007	-	-	-	-
Other comprehensive loss	(8,090)	-	-	-	(6,057)	(1,809)	-	(4,248)
At 31 March 2018	680,816	74,538	-	473,388	19,415	(1,884)	67	21,232

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

**Condensed consolidated statement of cash flows**  
**For the first financial quarter ended 31 March 2018**

	Three months	
	31.03.2018	31.03.2017
	RM'000	RM'000 (Restated)
<b>Operating activities</b>		
Profit before tax	9,979	5,214
<u>Adjustments</u>		
Depreciation of property, plant and equipment	2,001	2,016
Fair value gain of consumable biological assets	(83)	(518)
Dividend income	(169)	(131)
Interest income	(793)	(721)
Net fair value gain on available-for-sale investment securities (transferred from equity on disposal)	(9,431)	-
Share of results of associates	(920)	(769)
Share of results of a joint venture	156	34
Unrealised loss/(gain) on foreign exchange	858	(589)
Total adjustments	(8,381)	(678)
Operating cash flows before changes in working capital	1,598	4,536
<u>Changes in working capital</u>		
Decrease/(increase) in inventories	882	(793)
Increase in receivables	(1,089)	(1,017)
Decrease in payables	(2,573)	(649)
Total changes in working capital	(2,780)	(2,459)
Cash flows (used in)/generated from operations	(1,182)	2,077
Taxes (paid)/refund	(970)	71
Net cash flows (used in)/generated from operating activities	(2,152)	2,148
<b>Investing activities</b>		
Dividends received	618	131
Interest received	939	1,200
Purchase of property, plant and equipment	(1,686)	(1,824)
Purchase of investment securities	-	(610)
Proceeds from sale of investment securities	15,588	-
Changes in deposits with maturity of more than 3 months	36,982	(9,329)
Net cash flows generated from/(used in) investing activities	52,441	(10,432)
<b>Net increase/(decrease) in cash and cash equivalents</b>	50,289	(8,284)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	(858)	589
<b>Cash and cash equivalents at beginning of period</b>	37,037	63,387
<b>Cash and cash equivalents at end of period</b>	86,468	55,692
<b>Cash and cash equivalents at end of period comprise:</b>		
Cash on hand and at banks	18,411	15,457
Deposits with financial institutions	122,904	106,272
Cash and bank balances	141,315	121,729
Less: deposits with maturity of more than 3 months	(54,847)	(66,037)
Cash and cash equivalents	86,468	55,692

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

**Notes to the interim financial report - 31 March 2018**

**A Explanatory notes - MFRS 134 : Interim Financial Reporting**

**A 1 Basis of preparation**

The interim financial report has been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 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 2017.

In the previous financial quarter ended 31 December 2017, the Group has opted for an early transition to the MFRS Framework, therefore the Group has restated its comparative figures in the interim financial report and effects of the MFRS adjustments to the financial statements of the Group are summarised as below:

	Previously reported under FRSs RM'000	MFRSs adjustments RM'000	Restated under MFRS Framework RM'000
<u>Statement of profit or loss</u>			
<u>(Financial quarter ended 31 March 2017)</u>			
Cost of sales	(12,828)	(160)	(12,988)
Other income			
- Fair value gain of consumable biological assets	-	518	518
Replanting expenses	(1,824)	1,824	-
Share of results of associates	774	(5)	769
Share of result of a joint venture	(354)	320	(34)
Income tax credit/(expense)	42	(455)	(413)
	<hr/>	<hr/>	<hr/>
<u>Statement of comprehensive income</u>			
<u>(Financial quarter ended 31 March 2017)</u>			
Foreign currency translation	<hr/>	<hr/>	<hr/>
	3,448	(2,543)	905

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2017, except for the adoption of the following new accounting pronouncements:

Effective for annual periods beginning on or after 1 January 2018:

Amendments to MFRS 2: Shared-based Payment: Classification and Measurement of Share-based Payment Transactions  
MFRS 9: Financial Instruments  
MFRS 15: Revenue from Contracts with Customers  
Amendments to MFRS 140: Transfers of Investment Property  
Annual Improvements to MFRSs Standards 2014-2016 Cycle  
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

Adoption of the above standards, amendments to standards and interpretation have no material impact on the financial statements in the period of initial application.

Standards issued but not yet effective

The Group has not adopted those new standards, amendments to standards and interpretations that have been issued but not yet effective under the MFRS Framework. 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.

**Notes to the interim financial report - 31 March 2018**

**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 2018:

	<b>Hectares</b>			
Mature	5,680			
Replanting and immature	1,493			
	<u>7,173</u>			
	<b>First financial quarter</b>		<b>Three months</b>	
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
<u>Production (m/t)</u>				
<u>Fresh fruit bunches</u>				
Own estates	21,702	21,254	21,702	21,254
Purchase	7,059	9,123	7,059	9,123
	<u>28,761</u>	<u>30,377</u>	<u>28,761</u>	<u>30,377</u>
Crude palm oil	4,142	4,268	4,142	4,268
Palm kernel	1,131	1,164	1,131	1,164
	<u>5,273</u>	<u>5,432</u>	<u>5,273</u>	<u>5,432</u>
<u>Extraction Rate</u>				
Crude palm oil	18.30%	17.28%	18.30%	17.28%
Palm kernel	5.00%	4.71%	5.00%	4.71%

**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**

Other than those described in Note A1, there were no changes in estimates of amounts reported in 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 2018.

**A 6 Fair value changes of financial liabilities**

As at 31 March 2018, the Group did not have any financial liabilities measured at fair value through profit or loss.

**Negri Sembilan Oil Palms Berhad (592D)**  
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**Notes to the interim financial report - 31 March 2018**

**A 7 Dividends paid**

No dividends were paid during the three months ended 31 March 2018.

**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	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Revenue from external customers	16,910	20,752	16,910	20,752
Revenue from major customers	11,433	18,394	11,433	18,394
Reportable segment (loss)/profit	(320)	3,038	(320)	3,038

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

Total (loss)/profit for reportable segment	(320)	3,038	(320)	3,038
Share of results of associates	920	769	920	769
Share of results of a joint venture	(156)	(34)	(156)	(34)
Interest income	793	721	793	721
Dividend income	169	131	169	131
Other income	9,431	589	9,431	589
Other expenses	(858)	-	(858)	-
Profit before tax	9,979	5,214	9,979	5,214

	31.03.2018 RM'000	31.12.2017 RM'000
Reportable segment assets	497,224	499,120

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	497,224	499,120
Investments in associates	30,023	30,286
Investment in a joint venture	11,188	12,142
Investment securities	74,932	87,197
Unallocated assets	140,654	126,544
Total assets	754,021	755,289

Reportable segment liabilities	7,602	10,175
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Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	7,602	10,175
Income tax payable	-	231
Deferred tax liabilities	65,603	65,610
Total liabilities	73,205	76,016



**Notes to the interim financial report - 31 March 2018**

**A 9 Property, plant and equipment**

There were no significant acquisitions and no disposals of property, plant and equipment for the three months ended 31 March 2018.

Capital commitments as at 31 March 2018:

	RM'000
Approved and contracted for	340
Approved but not contracted for	<u>2,487</u>

**A 10 Material events subsequent to first financial quarter**

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 2018, other than as disclosed below:

1. Declaration of the first interim and special single tier dividend as disclosed in Note B10;
2. Sale of quoted investments with sale proceeds of RM30,548,000 and the profit arising therefrom was approximately RM14,967,000.

**A 11 Changes in composition of the Group**

Other than the 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 2017.

**A 13 Related party disclosures**

	Three months 31.03.2018 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Marketing consultancy fee	150
Purchase of oil palm produce	526
Sale of oil palm produce	255
Supply of labour	<u>5</u>
(b) A related corporation in which certain directors and substantial shareholders have interests	
Supply of labour	2
Seedlings cultivation cost	6
Sale of oil palm produce	<u>2,584</u>
(c) An associate in which certain directors and substantial shareholders have interests	
Management fee	<u>475</u>

**Notes to the interim financial report - 31 March 2018**

**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 ended 31 March 2018

Revenue in the current financial quarter under review decreased by 18.51% to RM16,910,000 from RM20,752,000 in the same financial quarter a year ago. The sales volume of ffb, crude palm oil and palm kernel were higher, however the average selling prices of ffb, crude palm oil and palm kernel were lower.

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

Other income was substantially higher mainly due to an amount of RM9,431,000 being net fair value gain transferred to profit or loss from equity upon sale of available-for-sale investment securities.

Other expenses amounting to RM858,000 represents loss on foreign currency translation during the current financial quarter under review.

The Group recorded a higher profit contribution from its associates mainly due to an increase in profit contributed by an associate engaged in trading of shares and stocks.

As reported previously, harvesting of 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. This has resulted in the joint venture incurring losses.

Overall, profit net of tax increased by 100.65% to RM9,633,000 from RM4,801,000 mainly due to the reasons mentioned above.

**Notes to the interim financial report - 31 March 2018**

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

	<b>First financial quarter 31.03.2018 RM'000</b>	<b>Fourth financial quarter 31.12.2017 RM'000</b>
Revenue	16,910	20,674
Cost of sales	(12,040)	(12,166)
Gross profit	<u>4,870</u>	<u>8,508</u>
Interest income	793	803
Dividend income	169	663
Other income	9,551	37
Selling expenses	(415)	(418)
Administrative expenses	(4,895)	(5,547)
Other expenses	(858)	(923)
Share of results of associates	920	(355)
Share of results of a joint venture	(156)	(503)
Profit before tax	<u>9,979</u>	<u>2,265</u>

Revenue in the current financial quarter under review decreased by 18.21% to RM16,910,000 from RM20,674,000 in the immediate preceding financial quarter, mainly due to lower sales volume and average selling prices of ffb, crude palm oil and palm kernel.

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

Other income was substantially higher mainly due to an amount of RM9,431,000 being net fair value gain transferred to profit or loss from equity upon sale of available-for-sale investment securities.

Overall operating expenses were lower mainly due to a decrease in the administrative expenses.

The Group recorded a profit contribution from its associates mainly due to the profit contributed by an associate engaged in trading of shares and stocks.

As reported previously, harvesting of 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. This has resulted in the joint venture suffering losses.

Overall, profit before tax increased by 340.57% to RM9,979,000 from RM2,265,000 mainly due to the reasons mentioned above.

**B 3 Prospects for financial year ending 31 December 2018**

The average selling price of crude palm oil is expected to be lower than that in the previous financial year 2017.

**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 2018**

**B 5 Income tax expense**

	<b>First financial quarter 31.03.2018 RM'000</b>	<b>Three months 31.03.2018 RM'000</b>
Current income tax	353	353
Deferred income tax	(7)	(7)
	<u>346</u>	<u>346</u>

The disproportionate tax rate was mainly due to the losses suffered by the Company and a subsidiary and certain income which are not assessable for income tax purposes 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 2018, 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.

	<b>31.03.2018 RM'000</b>
Remaining capital and investment outlay	<u>22,769</u>

**B 7 Borrowings and debt securities**

As at 31 March 2018, 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 2018.

**B 9 Material litigation**

There were no material litigations as at 31 December 2017 and at the date of issue of this interim financial report.

**Notes to the interim financial report - 31 March 2018**

**B 10 Dividends**

- (i) A first interim single tier dividend of 3 sen per stock unit and a special single tier dividend of 2 sen per stock unit in respect of the financial year ending 31 December 2018 have been declared by the Board of Directors.
- (ii) The total amount per stock unit: 5 sen, single tier.
- (iii) The date payable for the first interim and special single tier dividend of 5 sen per stock unit: 29 June 2018.
- (iv) In respect of the deposited securities, entitlement to the first interim and special single tier dividend of 5 sen per stock unit will be determined on the basis of the record of depositors as at 11 June 2018.
- (v) The total dividends for the current financial year ending 31 December 2018:-

<u>Type of dividend</u>	<u>sen per stock unit</u>
First interim, single tier	3.00
Special, single tier	2.00
	<u>5.00</u>

- (vi) The total dividends for the financial year ended 31 December 2017:-

<u>Type of dividend</u>	<u>sen per stock unit</u>
First interim, single tier	3.00
Second interim, single tier	3.00
	<u>6.00</u>

**B 11 Earnings per stock unit**

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

	<b>First financial quarter</b>		<b>Three months</b>	
	<b>31.03.2018</b>	<b>31.03.2017 (Restated)</b>	<b>31.03.2018</b>	<b>31.03.2017 (Restated)</b>
Profit attributable to owners of the parent (RM'000)	<u>7,007</u>	<u>4,033</u>	<u>7,007</u>	<u>4,033</u>
Weighted average number of stock units	<u>70,202</u>	<u>70,202</u>	<u>70,202</u>	<u>70,202</u>
Earnings per stock unit (sen)				
Basic	9.98	5.74	9.98	5.74
Diluted	<u>9.98</u>	<u>5.74</u>	<u>9.98</u>	<u>5.74</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 2018

**B 12 Notes to condensed statement of comprehensive income**

	First financial quarter 31.03.2018 RM'000	Three months 31.03.2018 RM'000
Interest income	793	793
Other income including investment income	169	169
Depreciation	(2,001)	(2,001)
Gain on disposal of quoted investments	9,431	9,431
Foreign exchange loss	(858)	(858)
	<u>                    </u>	<u>                    </u>

**B 13 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not qualified.

By Order of the Board

Gan Kok Tiong  
Company Secretary  
23 May 2018