

Negri Sembilan Oil Palms Berhad 192801000018 (592-D)
(Incorporated in Malaysia)

Condensed consolidated statements of profit or loss
For the fourth financial quarter and twelve months ended 31 December 2020

	Fourth financial quarter 31 December		Twelve months 31 December	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	15,625	11,551	62,383	50,636
Cost of sales	(12,490)	(10,018)	(39,341)	(41,677)
Gross profit	<u>3,135</u>	<u>1,533</u>	<u>23,042</u>	<u>8,959</u>
Other items of income				
Interest income	364	827	1,870	3,390
Dividend income	514	325	2,423	2,391
Other income	240	609	1,305	682
Other items of expenses				
Selling expenses	(185)	(231)	(1,100)	(1,141)
Administrative expenses	(5,648)	(5,384)	(20,472)	(21,477)
Other expenses	(2,325)	(149)	(2,436)	(229)
Share of results of associate and joint ventures	(23)	543	(2,544)	1,351
(Loss)/profit before tax	<u>(3,928)</u>	<u>(1,927)</u>	<u>2,088</u>	<u>(6,074)</u>
Income tax credit/(expense)	480	612	(1,221)	2,041
(Loss)/profit net of tax	<u>(3,448)</u>	<u>(1,315)</u>	<u>867</u>	<u>(4,033)</u>
Attributable to:				
Owners of the Company	(2,418)	(717)	1,259	(2,566)
Non-controlling interests	(1,030)	(598)	(392)	(1,467)
	<u>(3,448)</u>	<u>(1,315)</u>	<u>867</u>	<u>(4,033)</u>
(Loss)/earnings per stock unit attributable to owners of the Company (sen)				
Basic	(3.44)	(1.02)	1.79	(3.66)
Diluted	<u>(3.44)</u>	<u>(1.02)</u>	<u>1.79</u>	<u>(3.66)</u>

Negri Sembilan Oil Palms Berhad 192801000018 (592-D)
(Incorporated in Malaysia)

Condensed consolidated statements of comprehensive income
For the fourth financial quarter and twelve months ended 31 December 2020

	Fourth financial quarter 31 December		Twelve months 31 December	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(Loss)/profit net of tax	(3,448)	(1,315)	867	(4,033)
Other comprehensive income/(loss):				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation, representing total other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	472	(94)	586	62
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:				
Net gain/(loss) on fair value changes of investment securities	6,426	3,601	(8,017)	2,272
Share of other comprehensive (loss)/income of a joint venture in respect of fair value reserve	(4)	3	(8)	8
Share of other comprehensive (loss)/income of a joint venture in respect of employee benefits plan reserve	(1)	2	(1)	(1)
Total other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	6,421	3,606	(8,026)	2,279
Total other comprehensive income/(loss)	6,893	3,512	(7,440)	2,341
Total comprehensive income/(loss)	3,445	2,197	(6,573)	(1,692)
Attributable to:				
Owners of the Company	2,824	1,868	(4,043)	(837)
Non-controlling interests	621	329	(2,530)	(855)
	3,445	2,197	(6,573)	(1,692)

Negri Sembilan Oil Palms Berhad 192801000018 (592-D)
(Incorporated in Malaysia)

Condensed consolidated statements of financial position
As at 31 December 2020

	31.12.2020	31.12.2019
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	483,113	483,589
Investments in associate and joint ventures	42,032	45,585
Investment securities	59,710	58,072
	<u>584,855</u>	<u>587,246</u>
Current assets		
Inventories	1,637	2,072
Consumable biological assets	2,500	1,759
Receivables	6,661	4,634
Income tax recoverable	2,150	1,946
Cash and bank balances	128,458	138,410
	<u>141,406</u>	<u>148,821</u>
Total assets	<u>726,261</u>	<u>736,067</u>
Current liabilities		
Payables	<u>9,147</u>	<u>8,535</u>
Non-current liabilities		
Deferred tax liabilities	<u>73,512</u>	<u>72,508</u>
Total liabilities	<u>82,659</u>	<u>81,043</u>
Equity attributable to owners of the Company		
Share capital	74,538	74,538
Other reserves	(2,217)	6,768
Retained profits	464,944	464,214
	<u>537,265</u>	<u>545,520</u>
Non-controlling interests	<u>106,337</u>	<u>109,504</u>
Total equity	<u>643,602</u>	<u>655,024</u>
Total equity and liabilities	<u>726,261</u>	<u>736,067</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>7.65</u>	<u>7.77</u>

Negri Sembilan Oil Palms Berhad 192801000018 (592-D)
(Incorporated in Malaysia)

Condensed consolidated statements of changes in equity
For the twelve months ended 31 December 2020

	Equity attributable to owners of the Company, total		Non-Distributable		Distributable	
	Equity, total RM'000	Equity, total RM'000	Share capital RM'000	Other reserves RM'000	Retained profits RM'000	Non-controlling interests RM'000
1.1.2019	660,787	549,867	74,538	6,606	468,723	110,920
Loss for the period	(4,033)	(2,566)	-	-	(2,566)	(1,467)
Other comprehensive income	2,341	1,729	-	1,729	-	612
Total comprehensive (loss)/income	(1,692)	(837)	-	1,729	(2,566)	(855)
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	-	(1,567)	1,567	-
<u>Transactions with owners</u>						
Dividends paid to owners of the Company	(3,510)	(3,510)	-	-	(3,510)	-
Dividends paid to non-controlling interests	(561)	-	-	-	-	(561)
Total dividends, representing total transactions with owners	(4,071)	(3,510)	-	-	(3,510)	(561)
31.12.2019	655,024	545,520	74,538	6,768	464,214	109,504
1.1.2020	655,024	545,520	74,538	6,768	464,214	109,504
Profit/(loss) for the period	867	1,259	-	-	1,259	(392)
Other comprehensive loss	(7,440)	(5,302)	-	(5,302)	-	(2,138)
Total comprehensive (loss)/income	(6,573)	(4,043)	-	(5,302)	1,259	(2,530)
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	-	(3,683)	3,683	-
<u>Transactions with owners</u>						
Dividends paid to owners of the Company	(4,212)	(4,212)	-	-	(4,212)	-
Dividends paid to non-controlling interests	(637)	-	-	-	-	(637)
Total dividends, representing total transactions with owners	(4,849)	(4,212)	-	-	(4,212)	(637)
31.12.2020	643,602	537,265	74,538	(2,217)	464,944	106,337

Negri Sembilan Oil Palms Berhad 192801000018 (592-D)
(Incorporated in Malaysia)

Condensed consolidated statements of cash flows
For the twelve months ended 31 December 2020

	Twelve months	
	31.12.2020	31.12.2019
	RM'000	RM'000
Operating activities		
Profit/(loss) before tax	2,088	(6,074)
Adjustments for:		
Amortisation of right-of-use assets	3,370	3,370
Depreciation of property, plant and equipment	6,616	4,535
Dividend income	(2,423)	(2,391)
Fair value gain of consumable biological assets	(741)	(295)
Gain on sale of property, plant and equipment	(237)	(88)
Impairment loss on investment in a joint venture	2,316	-
Interest income	(1,870)	(3,390)
Property, plant and equipment written off	80	229
Share of results of associate and joint ventures	2,544	(1,351)
Unrealised loss/(gain) on foreign exchange	40	(119)
Write down of inventories to net realisable value	-	170
Total adjustments	9,695	670
Operating cash flows before changes in working capital	11,783	(5,404)
Changes in working capital		
Decrease in inventories	435	47
(Increase)/decrease in receivables	(2,872)	1,230
Increase/(decrease) in payables	2,061	(2,377)
Total changes in working capital	(376)	(1,100)
Cash flows generated from/(used in) operations	11,407	(6,504)
Income tax paid	(421)	(910)
Income tax refunded	-	2,576
Net cash flows generated from/(used in) operating activities	10,986	(4,838)
Investing activities		
Changes in deposits with maturity of more than three months	50,785	(24,030)
Dividends received	2,089	2,280
Increase in investment in a joint venture	(730)	-
Interest received	3,047	3,616
Purchase of property, plant and equipment	(9,639)	(8,500)
Purchase of investment securities	(17,714)	(3,137)
Proceeds from sale of property, plant and equipment	286	88
Proceeds from sale of investment securities	6,612	5,864
Net cash flows generated from/(used in) investing activities	34,736	(23,819)
Financing activities		
Dividends paid to owners of the Company	(4,212)	(3,510)
Dividends paid to non-controlling interests	(637)	(561)
Net cash flows used in financing activities	(4,849)	(4,071)
Net increase/(decrease) in cash and cash equivalents	40,873	(32,728)
Effects of exchange rate changes on cash and cash equivalents	(40)	334
Cash and cash equivalents at beginning of period	38,582	70,976
Cash and cash equivalents at end of period	79,415	38,582
Cash and cash equivalents at end of period comprise:		
Cash on hand and at banks	64,359	32,499
Deposits with financial institutions	64,099	105,911
Cash and bank balances	128,458	138,410
Less: Deposits with maturity of more than three months	(49,043)	(99,828)
Cash and cash equivalents	79,415	38,582

Notes to the interim financial report - 31 December 2020

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 2019.

The interim financial report is prepared under the same accounting policies and methods of computation as compared with the annual financial statements for the financial year ended 31 December 2019, except for the adoption of those new standards, amendments to standards and interpretations that are issued and effective for annual periods beginning on or after 1 January 2020. Adoption of those standards, amendments to standards and interpretations did not have any effects on the financial performance or the financial position 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.

A 2 Seasonal or cyclical nature of operations

The revenue and earnings are impacted by the production of fresh fruit bunches ("ffb") and volatility of the selling prices of ffb, crude palm oil ("CPO") and palm kernel ("PK").

The production of ffb 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 twelve months ended 31 December 2020:

	Hectares			
Mature	5,342			
Replanting and immature	1,832			
	<u>7,174</u>			
	Fourth financial quarter		Twelve months	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<u>Production (m/t)</u>				
ffb				
Own estates	20,677	19,043	101,881	90,463
Purchase	1,390	1,848	6,938	15,965
	<u>22,067</u>		<u>108,819</u>	
	<u>20,891</u>		<u>106,428</u>	
CPO	2,088	1,160	9,864	11,225
PK	520	253	2,598	3,022

Notes to the interim financial report - 31 December 2020

A 2 Seasonal or cyclical nature of operations (cont'd.)

	Fourth financial quarter		Twelve months	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<u>Extraction Rate</u>				
CPO	17.51%	18.44%	18.05%	18.50%
PK	4.36%	4.02%	4.75%	4.98%
<hr/>				
<u>Average selling prices</u>				
	RM per m/t	RM per m/t	RM per m/t	RM per m/t
ffb	698	488	545	424
CPO	2,960	2,269	2,601	2,086
PK	1,886	1,326	1,606	1,251

A 3 Items of unusual nature

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

COVID-19

The unprecedented COVID-19 pandemic has severely impacted the global economy. In Malaysia, to contain the spread of COVID-19, the Government imposed movement control measures but enabled industries providing essential services including the oil palm industry to operate provided they employ risk mitigation measures.

The Group has assessed that it has not been significantly affected by the COVID-19 pandemic for the financial year ended 31 December 2020. As at the date of authorisation of the financial statements, the scale and duration of the economic uncertainties arising from the COVID-19 pandemic, could not be reasonably estimated. The Group is closely monitoring the evolving situation of the COVID-19 pandemic and its related financial effects, if any, on the financial statements of the Group will be reflected in the annual financial statements for the financial year ending 31 December 2021.

A 4 Changes in estimates of amounts reported

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 twelve months ended 31 December 2020.

A 6 Fair value changes of financial liabilities

As at 31 December 2020, the Group did not have any financial liabilities measured at fair value through profit or loss.

**Negri Sembilan Oil Palms Berhad 192801000018 (592-D)
(Incorporated in Malaysia)**

Notes to the interim financial report - 31 December 2020

A 7 Dividends paid

The amount of dividends paid during the twelve months ended 31 December 2020:-

	RM'000
A first interim single tier dividend of 2 sen per stock unit in respect of financial year ended 31 December 2020 paid on 7 August 2020.	1,404
A second interim single tier dividend of 3 sen per stock unit and a special single tier dividend of 1 sen per stock unit in respect of financial year ended 31 December 2020 paid on 31 December 2020.	2,808
	<u>4,212</u>

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:

	Fourth financial quarter		Twelve months	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Revenue from external customers	15,625	11,551	62,383	50,636
Amortisation of right-of-use assets	842	842	3,370	3,370
Depreciation of property, plant and equipment	3,269	1,121	6,616	4,535
Revenue from major customers	13,390	10,981	44,829	38,724
Reportable segment (loss)/profit	<u>(2,621)</u>	<u>(3,907)</u>	<u>2,437</u>	<u>(13,413)</u>
Reportable segment (loss)/profit are reconciled as follows:				
Total (loss)/profit for reportable segment	(2,621)	(3,907)	2,437	(13,413)
Share of results of associate and joint ventures	(23)	543	(2,544)	1,351
Interest income	364	827	1,870	3,390
Dividend income	514	325	2,423	2,391
Other income	7	285	258	207
Other expenses	(2,169)	-	(2,356)	-
(Loss)/profit before tax	<u>(3,928)</u>	<u>(1,927)</u>	<u>2,088</u>	<u>(6,074)</u>

Notes to the interim financial report - 31 December 2020

A 8 Segment information (cont'd.)

	31.12.2020	31.12.2019
	RM'000	RM'000
Reportable segment assets	<u>495,780</u>	<u>493,839</u>
Reportable segment assets are reconciled as follows:		
Total assets for reportable segment	495,780	493,839
Investments in associate and joint venture	42,032	45,585
Investment securities	59,710	58,072
Unallocated assets	<u>128,739</u>	<u>138,571</u>
Total assets	<u>726,261</u>	<u>736,067</u>
Reportable segment liabilities	<u>9,147</u>	<u>8,535</u>
Reportable segment liabilities are reconciled as follows:		
Total liabilities for reportable segment	9,147	8,535
Deferred tax liabilities	<u>73,512</u>	<u>72,508</u>
Total liabilities	<u>82,659</u>	<u>81,043</u>

A 9 Property, plant and equipment

There were no significant acquisitions and disposals of property, plant and equipment for the twelve months ended 31 December 2020, other than the compulsory acquisition of 0.85 hectares of freehold land by the relevant authority the gain of which amounted to RM228,000.

A 10 Material events subsequent to the fourth financial quarter

There were no material events subsequent to the fourth financial quarter that have not been reflected in the financial statements for the financial quarter ended 31 December 2020.

A 11 Changes in composition of the Group

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

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 2019.

Notes to the interim financial report - 31 December 2020

A 13 Related party disclosures

	Twelve months 31.12.2020 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Marketing consultancy fee	615
Purchase of oil palm produce	1,597
Sale of oil palm produce	324
Sale of polybags	<u>16</u>
(b) A related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	17,811
Seedlings cultivation	135
Purchase of oil palm produce	<u>934</u>
(c) A joint venture in which certain directors and substantial shareholders have interests	
Management fee	<u>1,672</u>
	As at 31.12.2020 RM'000
(d) Included in receivables is an amount due from:-	
A related corporation in which certain directors and substantial shareholders have interests	<u>1,982</u>
(e) Included in payables are amounts due to:-	
A company in which certain directors and substantial shareholders have interests	838
A related corporation in which certain directors and substantial shareholders have interests	<u>24</u>

Notes to the interim financial report - 31 December 2020

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

(a) Fourth financial quarter ended 31 December 2020

Revenue in the current financial quarter under review increased by 35.27% to RM15,625,000 from RM11,551,000 a year ago. The average selling prices of ffb, CPO and PK improved substantially. The sales volume of CPO and PK were substantially higher, however, the sales volume of ffb was substantially lower. Overall, the increase in revenue was mainly due to the substantial improvement in the average selling prices of ffb, CPO and PK.

The production of ffb was higher. However, purchase of ffb was lower. Overall, the production of CPO and PK were higher.

Cost of sales was higher mainly due to an increase in plantation operating expenses.

Gross profit improved substantially mainly due to the substantial increase in revenue even though cost of sales increased.

Interest income was lower. However, dividend income was higher.

Other income was lower mainly due to a decrease in fair value gain of consumable biological assets.

Other expenses were higher mainly due to an amount of RM2,316,000 being impairment loss on investment in a joint venture.

Share of results of associate and joint ventures reversed to an overall loss from an overall profit mainly due to loss incurred by the Group's investment in oil palm plantation in Indonesia.

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

Overall, loss net of tax widened to RM3,448,000 from RM1,315,000 a year ago mainly due to the reasons mentioned above.

Excluding the impairment loss on investment in a joint venture, loss net of tax narrowed to RM1,132,000 from RM1,315,000 a year ago.

Notes to the interim financial report - 31 December 2020

B 1 Review of performance (cont'd.)

(b) Twelve months ended 31 December 2020

Revenue in the current twelve months period under review increased by 23.20% to RM62,383,000 from RM50,636,000 a year ago. The average selling prices of ffb, CPO and PK improved substantially. The sales volume of ffb was substantially higher. However, the sales volume of CPO and PK were substantially lower. Overall, the increase in revenue was mainly due to the substantial improvement in average selling prices of ffb, CPO and PK.

The production of ffb was substantially higher. However, purchase of ffb was substantially lower. Overall, the production of CPO and PK were substantially lower.

Cost of sales decreased mainly due to decreases in the purchase of ffb and CPO.

The increase in revenue and decrease in cost of sales had resulted in an improvement in gross profit.

Interest income was lower.

Other income were higher mainly due to an increase in fair value gain of consumable biological assets.

Other expenses were higher mainly due to an amount of RM2,316,000 being impairment loss on investment in a joint venture.

Share of results of associate and joint ventures reversed to an overall loss from an overall profit mainly due to loss incurred by an associate engaged in the trading of shares and stocks and a higher amount of loss incurred by the Group's investment in oil palm plantation in Indonesia.

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

Overall, the Group recorded profit net of tax of RM867,000 as compared with loss net of tax of RM4,033,000 a year ago mainly due to the reasons mentioned above.

Excluding the impairment loss on investment in a joint venture, the Group recorded profit net of tax of RM3,183,000 as compared with loss net of tax of RM4,033,000 a year ago.

Notes to the interim financial report - 31 December 2020

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

	Fourth financial quarter 31.12.2020 RM'000	Third financial quarter 31.9.2020 RM'000
Revenue	15,625	17,178
Cost of sales	(12,490)	(9,654)
Gross profit	<u>3,135</u>	<u>7,524</u>
Other items of income		
Interest income	364	381
Dividend income	514	1,369
Other income	240	11
Other items of expenses		
Selling expenses	(185)	(262)
Administrative expenses	(5,648)	(5,237)
Other expenses	(2,325)	(819)
Share of results of associate and joint ventures	(23)	(791)
(Loss)/profit before tax	<u>(3,928)</u>	<u>2,176</u>

Revenue in the current financial quarter under review decreased by 9.04% to RM15,625,000 from RM17,178,000 in the immediate preceding financial quarter. The average selling prices of ffb, CPO and PK were substantially higher. However, the sales volume were substantially lower. Overall, the decrease in revenue was mainly due to lower sales volume.

The production and purchase of ffb were lower. Correspondingly, the production of CPO and PK were lower.

Cost of sales was higher mainly due to increases in the plantation operating expenses and purchase costs of ffb, CPO and PK.

Decrease in revenue and increase in cost of sales had resulted in lower gross profit.

Interest and dividend income were lower.

Other income increased mainly due to an amount of gain on foreign currency translation and an amount of fair value gain of consumable biological assets.

Other expenses were higher mainly due to an amount of RM2,316,000 being impairment loss on investment in a joint venture.

The Group incurred lesser amount of loss from its share of results of associate and joint ventures mainly due to a positive contribution from an associate engaged in the trading of shares and stocks compared with a negative contribution in the preceding financial quarter.

Notes to the interim financial report - 31 December 2020

B 2 Material change in the profit before tax for the fourth financial quarter compared with the immediate preceding quarter (cont'd.)

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

Overall, the Group incurred loss before tax of RM3,928,000 compared with profit before tax of RM2,176,000 mainly due to the reasons mentioned above.

Excluding the impairment loss on investment in a joint venture, the Group incurred loss before tax of RM1,612,000 compared with profit before tax of RM2,176,000.

B 3 Prospects for financial year ending 31 December 2021

Since the end of the financial year 2020, the average selling prices of ffb, CPO and PK have increased significantly. Should these strong selling prices maintained, this would have corresponding effect on the financial performance for the financial year 2021.

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

	Fourth financial quarter 31.12.2020 RM'000	Twelve months 31.12.2020 RM'000
Current income tax	(137)	217
Deferred tax	(343)	1,004
	<u>(480)</u>	<u>1,221</u>

The disproportionate effective tax rates for the fourth financial quarter and twelve months period under review were mainly due to the effect of share of results of associate and joint ventures and certain expenses which were not deductible for income tax purposes and certain income which were not taxable.

Notes to the interim financial report - 31 December 2020

B 6 Status of corporate proposal

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.

During the twelve months period under review, the Group further subscribed 240,000 ordinary shares in Chin Thye Investment Pte Ltd for a cash consideration of RM730,000.

As at 31 December 2020, the Group's total investment cost in Chin Thye Investment Pte Ltd was RM31,991,000.

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

	31.12.2020
	RM'000
Remaining capital and investment outlay	<u>18,409</u>

B 7 Borrowings and debt securities

As at 31 December 2020, there were no borrowings and debt securities.

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the twelve months ended 31 December 2020.

B 9 Material litigation

There were no material litigations as at 31 December 2019 and at the date of issue of this interim financial report.

Notes to the interim financial report - 31 December 2020

B 10 Dividends

- (i) A first interim single tier dividend of 2 sen per stock unit, a second interim single tier dividend of 3 sen per stock unit and a special single tier dividend of 1 sen per stock unit in respect of the financial year ended 31 December 2020 were paid during the financial year.
- (ii) In view of the payment of the interim and special dividends, the directors do not recommend a final dividend in respect of the financial year ended 31 December 2020.
- (iii) The total dividends for the current financial year ended 31 December 2020:-

<u>Type of dividend</u>	sen per stock unit
First interim, single tier	2.00
Second interim, single tier	3.00
Special, single tier	1.00
	6.00

- (vi) The total dividends for the financial year ended 31 December 2019:-

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

B 11 (Loss)/earnings per stock unit

The basic and diluted (loss)/earnings per stock unit are calculated as follows: -

	Fourth financial quarter		Twelve months	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
(Loss)/profit attributable to owners of the Company (RM'000)	(2,418)	(717)	1,259	(2,566)
Weighted average number of stock units units ('000)	70,202	70,202	70,202	70,202
(Loss)/earnings per stock unit (sen)				
Basic	(3.44)	(1.02)	1.79	(3.66)
Diluted	(3.44)	(1.02)	1.79	(3.66)

The diluted (loss)/earnings per stock unit is similar to basic (loss)/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 December 2020

B 12 Notes to condensed statement of comprehensive income

	Fourth financial quarter 31.12.2020 RM'000	Twelve months 31.12.2020 RM'000
Interest income	364	1,870
Other income including investment income	514	2,423
Interest expense	-	-
Amortisation and depreciation	(4,111)	(9,986)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(loss) on disposal of unquoted investments or properties	-	228
Impairment loss on investment in a joint venture	(2,316)	(2,316)
Foreign exchange loss	147	(40)
Gain/(loss) on derivatives	-	-
Net fair value gain transferred to retained profits upon disposal of quoted investments (attributable to owners of the Company)	-	<u>3,683</u>

B 13 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2019 was not qualified.