

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

Condensed consolidated statements of profit or loss
For the first financial quarter and three months ended 31 March 2021

	First financial quarter 31 March		Three months 31 March	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	18,896	13,441	18,896	13,441
Cost of sales	(8,806)	(7,620)	(8,806)	(7,620)
Gross profit	10,090	5,821	10,090	5,821
Other items of income				
Interest income	289	761	289	761
Dividend income	104	55	104	55
Other income	3,036	722	3,036	722
Other items of expenses				
Selling expenses	(207)	(295)	(207)	(295)
Administrative expenses	(5,216)	(4,675)	(5,216)	(4,675)
Other expenses	-	(401)	-	(401)
Share of results of an associate and joint ventures	191	(2,485)	191	(2,485)
Profit/(loss) before tax	8,287	(497)	8,287	(497)
Income tax expense	(2,144)	(426)	(2,144)	(426)
Profit/(loss) net of tax	6,143	(923)	6,143	(923)
Attributable to:				
Owners of the Company	5,183	(997)	5,183	(997)
Non-controlling interests	960	74	960	74
	6,143	(923)	6,143	(923)
Earnings/(loss) per stock unit attributable to owners of the Company (sen)				
Basic	7.38	(1.42)	7.38	(1.42)
Diluted	7.38	(1.42)	7.38	(1.42)

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

Condensed consolidated statements of comprehensive income
For the first financial quarter and three months ended 31 March 2021

	First financial quarter 31 March		Three months 31 March	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(loss) net of tax	6,143	(923)	6,143	(923)
Other comprehensive income/(loss):				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation, representing total other comprehensive income that may be reclassified to profit or loss in subsequent periods	576	247	576	247
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	5,622	(8,706)	5,622	(8,706)
Share of other comprehensive loss of a joint venture in respect of fair value reserve	-	(5)	-	(5)
Total other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	5,622	(8,711)	5,622	(8,711)
Total other comprehensive income/(loss)	6,198	(8,464)	6,198	(8,464)
Total comprehensive income/(loss)	12,341	(9,387)	12,341	(9,387)
Attributable to:				
Owners of the Company	9,727	(7,442)	9,727	(7,442)
Non-controlling interests	2,614	(1,945)	2,614	(1,945)
	12,341	(9,387)	12,341	(9,387)

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

Condensed consolidated statements of financial position
As at 31 March 2021

	31.3.2021	31.12.2020
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	482,227	483,113
Investments in an associate and joint ventures	42,800	42,032
Investment securities	54,682	59,710
	<u>579,709</u>	<u>584,855</u>
Current assets		
Inventories	2,248	1,637
Consumable biological assets	4,441	2,500
Receivables	7,087	6,661
Income tax recoverable	1,954	2,150
Cash and bank balances	142,599	128,458
	<u>158,329</u>	<u>141,406</u>
Total assets	<u>738,038</u>	<u>726,261</u>
Current liabilities		
Payables	<u>6,808</u>	<u>9,148</u>
Non-current liabilities		
Deferred tax liabilities	<u>75,288</u>	<u>73,512</u>
Total liabilities	<u>82,096</u>	<u>82,660</u>
Equity attributable to owners of the Company		
Share capital	74,538	74,538
Other reserves	646	(2,219)
Retained profits	471,805	464,943
	<u>546,989</u>	<u>537,262</u>
Non-controlling interests	<u>108,953</u>	<u>106,339</u>
Total equity	<u>655,942</u>	<u>643,601</u>
Total equity and liabilities	<u>738,038</u>	<u>726,261</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>7.79</u>	<u>7.65</u>

Negri Sembilan Oil Palms Berhad 192801000018 (592-D)
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Condensed consolidated statements of changes in equity
For the three months ended 31 March 2021

	Equity attributable to owners of		Non-Distributable		Distributable	Non-controlling interests
	Equity, total	the Company, total	Share capital	Other reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1.1.2020	655,024	545,520	74,538	6,768	464,214	109,504
(Loss)/profit for the period	(923)	(997)	-	-	(997)	74
Other comprehensive loss	(8,464)	(6,445)	-	(6,445)	-	(2,019)
Total comprehensive loss	(9,387)	(7,442)	-	(6,445)	(997)	(1,945)
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	-	(3,683)	3,683	-
31.3.2020	645,637	538,078	74,538	(3,360)	466,900	107,559
1.1.2021	643,601	537,262	74,538	(2,219)	464,943	106,339
Profit for the period	6,143	5,183	-	-	5,183	960
Other comprehensive income	6,198	4,544	-	4,544	-	1,654
Total comprehensive income	12,341	9,727	-	4,544	5,183	2,614
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	-	(1,679)	1,679	-
31.3.2021	655,942	546,989	74,538	646	471,805	108,953

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

Condensed consolidated statements of cash flows
For the three months ended 31 March 2021

	Three months	
	31.3.2021	31.3.2020
	RM'000	RM'000
Operating activities		
Profit/(loss) before tax	8,287	(497)
Adjustments for:		
Amortisation of right-of-use assets	843	843
Depreciation of property, plant and equipment	1,220	1,114
Dividend income	(104)	(55)
Fair value gain of consumable biological assets	(1,941)	(453)
Gain on sale of property, plant and equipment	-	(4)
Interest income	(289)	(761)
Property, plant and equipment written off	-	51
Share of results of an associate and joint ventures	(191)	2,485
Unrealised gain on foreign exchange	(1,045)	(357)
Total adjustments	(1,507)	2,863
Operating cash flows before changes in working capital	6,780	2,366
Changes in working capital		
Increase in inventories	(611)	(1,321)
Increase in receivables	(618)	(4,776)
(Decrease)/increase in payables	(2,341)	1,635
Total changes in working capital	(3,570)	(4,462)
Cash flows generated from/(used in) operation	3,210	(2,096)
Income tax paid	(172)	(188)
Net cash flows generated from/(used in) operating activities	3,038	(2,284)
Investing activities		
Changes in deposits with maturity of more than three months	(4,422)	3,562
Dividends received	317	84
Increase in investment in a joint venture	-	(730)
Interest received	268	1,040
Purchase of property, plant and equipment	(1,177)	(2,452)
Purchase of investment securities	(8,966)	(1,520)
Proceeds from sale of property, plant and equipment	-	7
Proceeds from sale of investment securities	19,616	6,612
Net cash flows generated from investing activities	5,636	6,603
Net increase in cash and cash equivalents	8,674	4,319
Effects of exchange rate changes on cash and cash equivalents	1,045	357
Cash and cash equivalents at beginning of period	67,359	38,582
Cash and cash equivalents at end of period	77,078	43,258
Cash and cash equivalents at end of period comprise:		
Cash on hand and at banks	59,769	42,853
Deposits with financial institutions	82,830	96,671
Cash and bank balances	142,599	139,524
Less: Deposits with maturity of more than three months	(65,521)	(96,266)
Cash and cash equivalents	77,078	43,258

Notes to the interim financial statements - 31 March 2021

A Explanatory notes - MFRS 134 : Interim Financial Reporting

A 1 Basis of preparation

The interim financial statements have 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 statements are unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

The interim financial statements are prepared under the same accounting policies and methods of computation as compared with the annual financial statements for the financial year ended 31 December 2020, except for the adoption of those standards and amendments that are issued and effective for annual periods beginning on or after 1 January 2021. Adoption of those standards and amendments did not have any effects on the financial performance or the financial position of the Group.

The Group has not adopted those standards and amendments that have been issued but not yet effective. The directors expect that the adoption of those standards and amendments 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 three months ended 31 March 2021:

	Hectares			
Mature	5,553			
Replanting and immature	1,621			
	<u>7,174</u>			
	First financial quarter		Three months	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Production (m/t)				
ffb				
Own estates	22,667	23,042	22,667	23,042
Purchase	1,643	1,833	1,643	1,833
	<u>24,310</u>		<u>24,875</u>	
CPO	2,857	1,981	2,857	1,981
PK	763	496	763	496
	<u>763</u>		<u>496</u>	

Notes to the interim financial statements - 31 March 2021

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

	First financial quarter		Three months	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Extraction Rate				
CPO	17.71%	18.25%	17.71%	18.25%
PK	4.73%	4.57%	4.73%	4.57%
Average selling prices	RM per m/t	RM per m/t	RM per m/t	RM per m/t
ffb	832	537	832	537
CPO	3,665	2,683	3,665	2,683
PK	2,587	1,693	2,587	1,693

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 quarter ended 31 March 2021. As at the date of authorisation of the interim financial report, 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 three months ended 31 March 2021.

A 6 Fair value changes of financial liabilities

As at 31 March 2021, 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 2021.

Notes to the interim financial statements - 31 March 2021

A 8 Segment information

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

	First financial quarter		Three months	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	18,896	13,441	18,896	13,441
Revenue from major customers	17,005	11,758	17,005	11,758
Amortisation of right-of-use assets	843	843	843	843
Depreciation of property, plant and equipment	1,220	1,114	1,220	1,114
Reportable segment profit	6,658	1,499	6,658	1,499
Reportable segment profit are reconciled as follows:				
Total profit for reportable segment	6,658	1,499	6,658	1,499
Share of results of an associate and joint ventures	191	(2,485)	191	(2,485)
Interest income	289	761	289	761
Dividend income	104	55	104	55
Other income	1,045	23	1,045	23
Other expenses	-	(350)	-	(350)
Profit/(loss) before tax	8,287	(497)	8,287	(497)
			31.3.2021	31.12.2020
			RM'000	RM'000
Reportable segment assets			497,431	495,711
Reportable segment assets are reconciled as follows:				
Total assets for reportable segment			497,431	495,711
Investments in an associate and joint ventures			42,800	42,032
Investment securities			54,682	59,710
Unallocated assets			143,125	128,808
Total assets			738,038	726,261
Reportable segment liabilities			6,808	9,148
Reportable segment liabilities are reconciled as follows:				
Total liabilities for reportable segment			6,808	9,148
Deferred tax liabilities			75,288	73,512
Total liabilities			82,096	82,660

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Notes to the interim financial statements - 31 March 2021

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 2021.

Capital commitments as at 31 March 2021: -

Approved and contracted for	RM'000 <u>643</u>
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A 10 Material events subsequent to the first financial quarter

Other than the declaration of dividends as disclosed in Note B10, there were no material events subsequent to the first financial quarter that have not been reflected in the interim financial statements for the financial quarter ended 31 March 2021.

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 statements, there were no contingent liabilities and contingent assets that had arisen since 31 December 2020.

A 13 Related party disclosures

	Three months 31.3.2021 RM'000
(a) A company in which certain directors and substantial shareholders have interests	
Marketing consultancy fee	<u>154</u>
(b) A related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	<u>4,728</u>
(c) A joint venture in which certain directors and substantial shareholders have interests	
Management fee	<u>414</u>
	As at 31.3.2021 RM'000
(d) Included in receivables is an amount due from:-	
A related corporation in which certain directors and substantial shareholders have interests	<u>2,182</u>

Notes to the interim financial statements - 31 March 2021

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 2021

Revenue in the current financial quarter under review increased by 40.58% to RM18,896,000 from RM13,441,000 a year ago. The average selling prices of ffb, CPO and PK improved substantially. The sales volume of CPO and PK were higher, however, the sales volume of ffb was lower. Overall, the increase in revenue was mainly due to the substantial improvement in the average selling prices of ffb, CPO and PK.

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 higher mainly due to an increase in fair value gain of consumable biological assets and an amount of gain on foreign currency translation.

Share of results of an associate and joint ventures reversed to an overall profit from an overall loss mainly due to profit recorded by an associate engaged in the trading of shares and stocks. In the previous year corresponding financial quarter, the associate incurred loss.

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 RM6,143,000 compared with loss net of tax of RM923,000 a year ago mainly due to the reasons mentioned above.

Notes to the interim financial statements - 31 March 2021

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

	First financial quarter 31.3.2021 RM'000	Fourth financial quarter 31.12.2020 RM'000
Revenue	18,896	15,625
Cost of sales	(8,806)	(12,490)
Gross profit	<u>10,090</u>	<u>3,135</u>
Other items of income		
Interest income	289	364
Dividend income	104	514
Other income	3,036	240
Other items of expenses		
Selling expenses	(207)	(185)
Administrative expenses	(5,216)	(5,648)
Other expenses	-	(2,325)
Share of results of an associate and joint ventures	191	(23)
Profit/(loss) before tax	<u>8,287</u>	<u>(3,928)</u>

Revenue in the current financial quarter under review increased by 20.93% to RM18,896,000 from RM15,625,000 in the immediate preceding financial quarter. The average selling prices of ffb, CPO and PK improved substantially. The sales volume of CPO and PK were higher, however, the sales volume of ffb was lower. Overall, the increase in revenue was mainly due to the substantial improvement in the average selling prices of ffb, CPO and PK.

Cost of sales was lower mainly due to decrease in the plantation operating expenses.

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

Interest and dividend income were lower.

Other income was higher mainly due to increases in the amounts of gain on foreign currency translation and fair value gain of consumable biological assets.

In the immediate preceding financial quarter, the Group made a provision for impairment in its investment in a joint venture amounted to RM2,316,000 which did not recur in the current financial quarter under review.

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

Notes to the interim financial statements - 31 March 2021

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 recorded profit before tax of RM8,287,000 compared with loss before tax of RM3,928,000 mainly due to the reasons mentioned above.

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 substantially. Should these strong selling prices maintain, it will 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

	First financial quarter 31.3.2021 RM'000	Three months 31.3.2021 RM'000
Current income tax	368	368
Deferred tax	1,776	1,776
	<u>2,144</u>	<u>2,144</u>

The effective tax rate for the first financial quarter and three months period under review were higher than the statutory tax rate mainly due to certain expenses which were not deductible for income tax purposes.

Notes to the interim financial statements - 31 March 2021

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.

There were no further subscription of shares in Chin Thye Investment Pte Ltd during the first financial quarter under review.

As at 31 March 2021, 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.

31.3.2021
RM'000

Remaining capital and investment outlay

18,409

B 7 Borrowings and debt securities

As at 31 March 2021, there were no borrowings and debt securities.

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the three months ended 31 March 2021.

B 9 Material litigation

There were no material litigations as at 31 December 2020 and at the date of issue of this interim financial report.

Notes to the interim financial statements - 31 March 2021

B 10 Dividends

- (i) A first interim single tier dividend of 3 sen per stock unit and a special single tier dividend of 4 sen per stock unit in respect of the financial year ending 31 December 2021 have been declared by the Board of Directors.
- (ii) The total amount per stock unit:-
 - (a) First interim single tier dividend of 3 sen per stock unit.
 - (b) Special single tier dividend of 4 sen per stock unit.
- (iii) The date payable for first interim and special single tier dividend: 30 July 2021.
- (iv) In respect of the deposited securities, entitlement to the first interim and special single tier dividend will be determined on the basis of the record of depositors as at 8 July 2021.
- (v) The total dividends for the current financial year ending 31 December 2021:-

<u>Type of dividend</u>	sen per stock unit
First interim, single tier	3.00
Special, single tier	4.00
	<u>7.00</u>

- (vi) The total dividends for the 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
	<u>6.00</u>

B 11 Earnings/(loss) per stock unit

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

	First financial quarter		Three months	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Profit/(loss) attributable to owners of the Company (RM'000)	5,183	(997)	5,183	(997)
Weighted average number of stock units units ('000)	70,202	70,202	70,202	70,202
Earnings/(loss) per stock unit (sen)				
Basic	7.38	(1.42)	7.38	(1.42)
Diluted	7.38	(1.42)	7.38	(1.42)

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

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

Notes to the interim financial statements - 31 March 2021

B 12 Notes to condensed statement of comprehensive income

	First financial quarter 31.3.2021 RM'000	Three months 31.3.2021 RM'000
Interest income	289	289
Other income including investment income	104	104
Interest expense	-	-
Amortisation and depreciation	(2,063)	(2,063)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(loss) on disposal of unquoted investments or properties	-	-
Impairment loss on investment in a joint venture	-	-
Foreign exchange gain	1,045	1,045
Gain/(loss) on derivatives	-	-
Net fair value gain transferred to retained profits upon disposal of quoted investments (attributable to owners of the Company)	<u>1,679</u>	<u>1,679</u>

B 13 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not qualified.