

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

**Condensed consolidated statements of profit or loss
For the first financial quarter ended 31 March 2023**

	First financial quarter 31 March		Three months 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	20,738	26,584	20,738	26,584
Cost of sales	(14,197)	(10,424)	(14,197)	(10,424)
Gross profit	6,541	16,160	6,541	16,160
Other items of income				
Interest income	932	333	932	333
Dividend income	646	623	646	623
Other income	1,238	1,949	1,238	1,949
Other items of expenses				
Selling expenses	(223)	(204)	(223)	(204)
Administrative expenses	(5,815)	(5,444)	(5,815)	(5,444)
Other expenses	(91)	-	(91)	-
Share of results of an associate and joint ventures	(544)	183	(544)	183
Profit before tax	2,684	13,600	2,684	13,600
Income tax expense	(796)	(3,111)	(796)	(3,111)
Profit net of tax	1,888	10,489	1,888	10,489
Attributable to:				
Owners of the Company	1,834	9,592	1,834	9,592
Non-controlling interests	54	897	54	897
	1,888	10,489	1,888	10,489
Earnings per stock unit attributable to owners of the Company (sen)				
Basic	2.61	13.66	2.61	13.66
Diluted	2.61	13.66	2.61	13.66

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

**Condensed consolidated statements of comprehensive income
For the first financial quarter ended 31 March 2023**

	First financial quarter 31 March		Three months 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit net of tax	1,888	10,489	1,888	10,489
Other comprehensive income:				
Other comprehensive income that will be reclassified to profit or loss in subsequent periods:				
Foreign currency translation, representing total other comprehensive income that will be reclassified to profit or loss in subsequent periods	947	262	947	262
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:				
Net gain on fair value changes of investment securities	3,309	14,487	3,309	14,487
Share of other comprehensive (loss)/income of joint ventures in respect of other reserves	(1)	15	(1)	15
Total other comprehensive income that will not be reclassified to profit or loss in subsequent periods	3,308	14,502	3,308	14,502
Total other comprehensive income	4,255	14,764	4,255	14,764
Total comprehensive income	6,143	25,253	6,143	25,253
Attributable to:				
Owners of the Company	5,083	20,827	5,083	20,827
Non-controlling interests	1,060	4,426	1,060	4,426
	6,143	25,253	6,143	25,253

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

Condensed consolidated statements of financial position
As at 31 March 2023

	31.3.2023	31.12.2022
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	478,430	478,807
Investments in an associate and joint ventures	44,629	44,229
Investment securities	117,874	106,314
	<u>640,933</u>	<u>629,350</u>
Current assets		
Inventories	3,499	5,265
Consumable biological assets	3,498	2,885
Receivables	6,084	5,949
Income tax recoverable	1,120	879
Cash and bank balances	136,870	144,227
	<u>151,071</u>	<u>159,205</u>
Total assets	<u>792,004</u>	<u>788,555</u>
Current liabilities		
Payables	9,256	11,492
Income tax payable	553	1,209
	<u>9,809</u>	<u>12,701</u>
Non-current liabilities		
Deferred tax liabilities	78,497	78,299
Total liabilities	<u>88,306</u>	<u>91,000</u>
Equity attributable to owners of the Company		
Share capital	74,538	74,538
Other reserves	12,520	9,271
Retained profits	500,815	498,981
	<u>587,873</u>	<u>582,790</u>
Non-controlling interests	115,825	114,765
Total equity	<u>703,698</u>	<u>697,555</u>
Total equity and liabilities	<u>792,004</u>	<u>788,555</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>8.37</u>	<u>8.30</u>

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

Condensed consolidated statements of changes in equity
For the first financial quarter ended 31 March 2023

	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
1.1.2022	665,807	556,552	74,538	282	481,732	109,255
Profit for the period	10,489	9,592	-	-	9,592	897
Other comprehensive income	14,764	11,235	-	11,235	-	3,529
Total comprehensive income	25,253	20,827	-	11,235	9,592	4,426
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	-	(1,302)	1,302	-
31.3.2022	691,060	577,379	74,538	10,215	492,626	113,681
1.1.2023	697,555	582,790	74,538	9,271	498,981	114,765
Profit for the period	1,888	1,834	-	-	1,834	54
Other comprehensive income	4,255	3,249	-	3,249	-	1,006
Total comprehensive income	6,143	5,083	-	3,249	1,834	1,060
31.3.2023	703,698	587,873	74,538	12,520	500,815	115,825

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

**Condensed consolidated statements of cash flows
For the first financial quarter ended 31 March 2023**

	Three months	
	31.3.2023	31.3.2022
	RM'000	RM'000
Operating activities		
Profit before tax	2,684	13,600
Adjustments for:		
Amortisation of right-of-use assets	843	843
Depreciation of property, plant and equipment	1,316	1,291
Dividend income	(646)	(623)
Fair value gain of consumable biological assets	(613)	(1,513)
Interest income	(932)	(333)
Property, plant and equipment written off	91	-
Share of results of an associate and joint ventures	544	(183)
Unrealised gain on foreign exchange	(585)	(401)
Total adjustments	18	(919)
Operating cash flows before changes in working capital	2,702	12,681
Changes in working capital		
Decrease/(increase) in inventories	1,766	(1,112)
Decrease/(increase) in receivables	38	(1,619)
Decrease in payables	(2,236)	(547)
Total changes in working capital	(432)	(3,278)
Cash flows generated from operation	2,270	9,403
Income tax paid	(1,495)	(476)
Net cash flows generated from operating activities	775	8,927
Investing activities		
Changes in deposits with maturity of more than three months	25,426	(9,220)
Dividends received	644	623
Interest received	759	381
Purchase of property, plant and equipment	(1,873)	(1,680)
Purchase of investment securities	(8,247)	(6,777)
Proceeds from sale of investment securities	-	12,182
Net cash flows generated from/(used in) investing activities	16,709	(4,491)
Net increase in cash and cash equivalents	17,484	4,436
Effects of exchange rate changes on cash and cash equivalents	585	401
Cash and cash equivalents at beginning of period	61,779	59,620
Cash and cash equivalents at end of period	79,848	64,457
Cash and cash equivalents at end of period comprise:		
Cash on hand and at banks	29,539	52,401
Deposits with financial institutions	107,331	91,969
Cash and bank balances	136,870	144,370
Less: Deposits with maturity of more than three months	(57,022)	(79,913)
Cash and cash equivalents	79,848	64,457

Notes to the interim financial statements - 31 March 2023

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 2022.

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 2022, except for the adoption of those standards and amendments that are issued and effective for annual period beginning on or after 1 January 2023. 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 the three months ended 31 March 2023:

	Hectares			
Mature	5,978			
Replanting and immature	1,196			
	<u>7,174</u>			
	First financial quarter		Three months	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Production (m/t)				
ffb				
Own estates	23,676	20,247	23,676	20,247
Purchase	1,103	1,557	1,103	1,557
	<u>24,779</u>		<u>21,804</u>	

Notes to the interim financial statements - 31 March 2023

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

	First financial quarter		Three months	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
CPO	2,337	2,239	2,337	2,239
PK	638	589	638	589
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Extraction Rate				
CPO	17.08%	17.93%	17.08%	17.93%
PK	4.66%	4.72%	4.66%	4.72%
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Average selling prices	RM per m/t	RM per m/t	RM per m/t	RM per m/t
ffb	827	1,380	827	1,380
CPO	4,093	5,251	4,093	5,251
PK	2,122	4,623	2,122	4,623
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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.

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 2023.

A 6 Fair value changes of financial liabilities

As at 31 March 2023, 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 2023.

Negri Sembilan Oil Palms Berhad 192801000018 (592-D)
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Notes to the interim financial statements - 31 March 2023

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	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	20,738	26,584	20,738	26,584
Revenue from major customers	17,455	22,477	17,455	22,477
Amortisation of right-of-use assets	843	843	843	843
Depreciation of property, plant and equipment	1,316	1,291	1,316	1,291
Reportable segment profit	<u>1,065</u>	<u>12,055</u>	<u>1,065</u>	<u>12,055</u>
Reportable segment profit are reconciled as follows:				
Total profit for reportable segment	1,065	12,055	1,065	12,055
Share of results of an associate and joint ventures	(544)	183	(544)	183
Interest income	932	333	932	333
Dividend income	646	623	646	623
Other income	585	406	585	406
Profit before tax	<u>2,684</u>	<u>13,600</u>	<u>2,684</u>	<u>13,600</u>
			31.3.2023	31.12.2022
			RM'000	RM'000
Reportable segment assets			<u>493,433</u>	<u>495,208</u>
Reportable segment assets are reconciled as follows:				
Total assets for reportable segment			493,433	495,208
Investments in an associate and joint ventures			44,629	44,229
Investment securities			117,874	106,314
Unallocated assets			136,068	142,804
Total assets			<u>792,004</u>	<u>788,555</u>
Reportable segment liabilities			<u>9,256</u>	<u>11,492</u>
Reportable segment liabilities are reconciled as follows:				
Total liabilities for reportable segment			9,256	11,492
Income tax payable			553	1,209
Deferred tax liabilities			78,497	78,299
Total liabilities			<u>88,306</u>	<u>91,000</u>

Notes to the interim financial statements - 31 March 2023

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 2023.

Capital commitments as at 31 March 2023: -

Approved and contracted for	RM'000 <u>522</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 financial statements for the financial quarter ended 31 March 2023.

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 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 2022.

A 13 Related party disclosures

	Three months 31.3.2023 RM'000
(a) A company in which certain directors and substantial shareholders have interests Marketing consultancy fee	<u>166</u>
(b) A related corporation in which certain directors and substantial shareholders have interests Sale of oil palm produce	<u>5,575</u>
(c) A joint venture in which certain directors and substantial shareholders have interests Management fee	<u>558</u>
	As at 31.3.2023 RM'000
(d) Included in receivables is an amount due from:- A related corporation in which certain directors and substantial shareholders have interests	<u>1,857</u>

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

Notes to the interim financial statements - 31 March 2023

**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 2023

Revenue in the current financial quarter under review decreased by 21.99% to RM20,738,000 from RM26,584,000 a year ago. The average selling prices of ffb, CPO and PK were substantially lower, even though the sales volume were higher. Overall, the decrease in revenue was mainly due to the decline in the average selling prices of ffb, CPO and PK.

Cost of sale increased mainly due to increase in upkeep of mature fields expenses caused by active application of fertiliser.

Interest income was substantially higher.

Other income were lower mainly due to decrease in the amount of fair value gain of consumable biological assets.

Share of results of an associate and joint ventures reversed from an overall profit to an overall loss mainly due to loss incurred by the associate engaged in the trading of shares and stocks in the current financial quarter under review as opposed to a profit in previous corresponding financial quarter. The overall share of loss of an associate and joint ventures in the current financial quarter was also caused by a larger amount of loss incurred by the joint venture engaged 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, profit net of tax decreased by 82% to RM1,888,000 from RM10,489,000 a year ago mainly due to the reasons mentioned above.

Notes to the interim financial statements - 31 March 2023

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

	First financial quarter 31.3.2023 RM'000	Fourth financial quarter 31.12.2022 RM'000
Revenue	20,738	21,231
Cost of sales	(14,197)	(13,666)
Gross profit	<u>6,541</u>	<u>7,565</u>
Other items of income		
Interest income	932	831
Dividend income	646	888
Other income	1,238	471
Other items of expenses		
Selling expenses	(223)	(228)
Administrative expenses	(5,815)	(7,064)
Other expenses	(91)	(952)
Share of results of an associate and joint ventures	<u>(544)</u>	<u>(774)</u>
Profit before tax	<u><u>2,684</u></u>	<u><u>737</u></u>

Revenue in the current financial quarter under review decreased by 2.32% to RM20,738,000 from RM21,231,000 in the immediate preceding financial quarter, mainly caused by the decline in the sales volume of ffb and average selling prices of PK.

Other income increased mainly due to the presence of an amount of fair value gain of consumable biological assets in the current financial quarter under review. The Group incurred fair value loss of consumable biological assets in the immediate preceding financial quarter which had been included in other expenses.

Administrative expenses was substantially lower.

Overall share of loss of an associate and joint ventures decreased because there was a positive contribution from the joint venture engaged in provision of management services opposed to a negative contribution in the immediate preceding financial quarter. This positive contribution was partially offset by the larger amount of losses incurred by the associate engaged in the trading of shares and stocks and the joint venture engaged 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, profit before tax increased by 264.18% to RM2,684,000 from RM737,000 mainly due to the reasons mentioned above.

Notes to the interim financial statements - 31 March 2023

B 3 Prospects for financial year ending 31 December 2023 ("FY2023")

The financial performance for FY2023 is expected to decline when compared with FY2022 and in line with the drop in ffb, CPO and PK prices from historical high levels.

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 31.3.2023 RM'000	Three months 31.3.2023 RM'000
Income tax		
Current provision	598	598
Deferred tax	198	198
	<u>796</u>	<u>796</u>

The effective tax rate for the first financial quarter and three months under review were higher than the statutory tax rate mainly due to the effect of share of results of an associate and joint ventures.

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 had been obtained.

There were no further subscription of shares in Chin Thye Investment Pte Ltd during the first financial quarter under review and during the period since the end of the current financial quarter under review to the date of issue of this interim financial report.

As at 31 March 2023, the Group's total investment cost in Chin Thye Investment Pte Ltd was RM35,131,000.

	31.3.2023 RM'000
Remaining capital and investment outlay	<u>15,269</u>

Notes to the interim financial statements - 31 March 2023

B 7 Borrowings and debt securities

As at 31 March 2023, 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 2023.

B 9 Material litigation

There were no material litigations as at 31 December 2022 and at the date of issue of this interim financial statements.

B 10 Dividends

- (i) A first interim single tier dividend in respect of the financial year ending 31 December 2023 has been declared by the Board of Directors.
- (ii) The amount per stock unit: 2 sen
- (iii) The date payable for first interim single tier dividend: 30 June 2023.
- (iv) In respect of the deposited securities, entitlement to the first interim single tier dividend will be determined on the basis of the record of depositors as at 15 June 2023.
- (v) The total dividends for the current financial year ending 31 December 2023:-

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

- (vi) The total dividends for the financial year ended 31 December 2022:-

<u>Type of dividend</u>	sen per stock unit
First interim, single tier	4.00
Second interim, single tier	4.00
Special, single tier	<u>9.00</u>
	<u>17.00</u>

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

Notes to the interim financial statements - 31 March 2023

B 11 Earnings per stock unit

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

	First financial quarter		Three months	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Profit attributable to owners of the Company (RM'000)	1,834	9,592	1,834	9,592
Weighted average number of stock units units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	2.61	13.66	2.61	13.66
Diluted	2.61	13.66	2.61	13.66

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.

B 12 Notes to condensed statement of comprehensive income

	First financial quarter 31.3.2023 RM'000	Three months 31.3.2023 RM'000
Interest income	932	932
Other income including investment income	646	646
Interest expense	-	-
Amortisation and depreciation	(2,159)	(2,159)
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	585	585
Gain/(loss) on derivatives	-	-
Net fair value gain/(loss) transferred to retained profits upon disposal of quoted investments (attributable to owners of the Company)	-	-

B 13 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not qualified.