

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

Condensed Consolidated Income Statement
For The Fourth Financial Quarter And Twelve Months Ended 31 December 2008

	Fourth		Twelve Months	
	Financial Quarter		31 December	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Revenue	19,539	24,866	105,456	74,660
Cost of sales	(12,022)	(9,155)	(46,385)	(31,616)
Gross profit	7,517	15,711	59,071	43,044
Other income	1,088	1,745	5,784	5,771
Administrative expenses	(2,850)	(2,215)	(11,428)	(9,065)
Selling expenses	(394)	(338)	(1,608)	(1,257)
Replanting expenses	(519)	(220)	(1,262)	(772)
Other operating expenses	(1,059)	-	(1,059)	-
Fair value adjustments of biological assets	(19,000)	20,000	(19,000)	20,000
Operating (loss) / profit	(15,217)	34,683	30,498	57,721
Share of (loss) / profit of associates	(720)	182	(940)	1,258
Share of loss of a jointly controlled entity	(51)	(234)	(441)	(270)
(Loss) / Profit before taxation	(15,988)	34,631	29,117	58,709
Taxation	3,460	(8,268)	(7,948)	(14,241)
(Loss) / Profit for the period	(12,528)	26,363	21,169	44,468
Attributable to:				
Equity holders of the Company	(11,689)	22,508	16,519	38,163
Minority interests	(839)	3,855	4,650	6,305
	(12,528)	26,363	21,169	44,468
(Loss) / Earnings per stock unit attributable to equity holders of the Company				
Basic	(16.65) sen	32.06 sen	23.53 sen	54.36 sen
Diluted	(16.65) sen	32.06 sen	23.53 sen	54.36 sen

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

Condensed Consolidated Balance Sheet
As At 31 December 2008

	31.12.2008	31.12.2007
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	81,015	80,984
Prepaid land lease payments	66,817	67,809
Biological assets	49,200	68,200
Investment in associates	9,919	10,339
Investment in a jointly controlled entity	23,779	16,336
Other investments	20,233	9,423
	<u>250,963</u>	<u>253,091</u>
Current Assets		
Inventories	2,607	1,984
Receivables	4,491	6,528
Tax recoverable	2,634	542
Cash and bank balances	108,040	113,854
	<u>117,772</u>	<u>122,908</u>
TOTAL ASSETS	<u>368,735</u>	<u>375,999</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	70,202	70,202
Share premium	4,336	4,336
Other reserves	62,131	62,338
Retained profits	151,449	155,234
	<u>288,118</u>	<u>292,110</u>
Minority Interests	51,362	48,956
Total Equity	<u>339,480</u>	<u>341,066</u>
Non-Current Liability		
Deferred tax liability	23,332	28,195
	<u>23,332</u>	<u>28,195</u>
Current Liabilities		
Payables	5,920	5,677
Taxation	3	1,061
	<u>5,923</u>	<u>6,738</u>
Total Liabilities	<u>29,255</u>	<u>34,933</u>
TOTAL EQUITY AND LIABILITIES	<u>368,735</u>	<u>375,999</u>
Net assets per stock unit attributable to equity holders of the Company	<u>RM4.10</u>	<u>RM4.16</u>

Condensed Consolidated Statement Of Changes In Equity
For The Twelve Months Ended 31 December 2008

	Attributable to equity holders of the Company					Minority interests	Total equity	
	Non-Distributable		Distributable					
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve - lands RM'000	Foreign currency translation reserves RM'000	Retained profits RM'000			Total RM'000
At 1 January 2007	70,202	4,336	57,887	2,922	129,407	264,754	43,532	308,286
Changes in tax rates on opening balances of deferred tax	-	-	626	-	-	626	139	765
Reversal of deferred tax arising from exemption of RPGT	-	-	2,352	-	-	2,352	300	2,652
Revaluation reserve of leasehold lands realised	-	-	(476)	-	476	-	-	-
Foreign currency translation	-	-	-	(973)	-	(973)	(55)	(1,028)
Net income / (expense) recognised directly in equity	-	-	2,502	(973)	476	2,005	384	2,389
Profit for the period	-	-	-	-	38,163	38,163	6,305	44,468
Total recognised income / (expense) for the period	-	-	2,502	(973)	38,639	40,168	6,689	46,857
Dividends	-	-	-	-	(12,812)	(12,812)	(1,265)	(14,077)
At 31 December 2007	70,202	4,336	60,389	1,949	155,234	292,110	48,956	341,066
At 1 January 2008	70,202	4,336	60,389	1,949	155,234	292,110	48,956	341,066
Revaluation reserve of leasehold lands realised	-	-	(476)	-	476	-	-	-
Foreign currency translation	-	-	-	269	-	269	(6)	263
Net income / (expense) recognised directly in equity	-	-	(476)	269	476	269	(6)	263
Profit for the period	-	-	-	-	16,519	16,519	4,650	21,169
Total recognised income / (expense) for the period	-	-	(476)	269	16,995	16,788	4,644	21,432
Dividends	-	-	-	-	(20,780)	(20,780)	(2,238)	(23,018)
At 31 December 2008	70,202	4,336	59,913	2,218	151,449	288,118	51,362	339,480

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

Condensed Consolidated Cash Flow Statement
For The Twelve Months Ended 31 December 2008

	31.12.2008	31.12.2007
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	29,117	58,709
Adjustment for:		
Non-cash items	21,439	(20,735)
Non-operating items	(3,872)	(3,855)
Operating profit before working capital changes	46,684	34,119
Changes in working capital		
Net changes in current assets	1,338	(2,750)
Net changes in current liabilities	243	1,301
Cash generated from operations	48,265	32,670
Taxes paid	(15,866)	(8,328)
Retirement benefits paid	-	(18)
Net cash generated from operating activities	<u>32,399</u>	<u>24,324</u>
Cash Flows From Investing Activities		
Property, plant and equipment	(876)	(667)
Investment in associates	-	(1,511)
Investment in jointly controlled entity	(8,140)	-
Other investments	(11,692)	1,089
Interest received	2,850	2,918
Net dividends received	987	760
Withdrawal / (Placement) of fixed deposits	2	(6)
Net cash (used in) / generated from investing activities	<u>(16,869)</u>	<u>2,583</u>
Cash Flows From Financing Activities		
Dividends paid to shareholders of the Company	(20,780)	(12,812)
Dividends paid to minority interests	(2,238)	(1,265)
Net cash used in financing activities	<u>(23,018)</u>	<u>(14,077)</u>
Net (Decrease) / Increase In Cash And Cash Equivalents	(7,488)	12,830
Effects Of Exchange Rate Changes	1,676	(43)
Cash And Cash Equivalents At Beginning Of Period	113,558	100,771
Cash And Cash Equivalents At End Of Period	<u>107,746</u>	<u>113,558</u>

Notes To The Interim Financial Report - 31 December 2008

A Explanatory Notes - FRS 134 : Interim Financial Reporting

A 1 Basis Of Preparation

The interim financial report has been prepared in accordance with FRS 134 : Interim Financial Reporting and Chapter 9 Part K of the 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 2007.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the financial year ended 31 December 2007.

On 1 January 2008, the Group adopted new / revised Financial Reporting Standards ('FRS') mandatory for financial period beginning on or after 1 July 2007. The adoption of those FRS does not give rise to any significant impact on the financial statements of the Group.

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 twelve months ended 31 December 2008:

Mature	6,879
Replanting and immature	285
	7,164

	Fourth Financial Quarter		Twelve Months	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Production (m/t)				
fresh fruit bunches				
Own estates	41,453	39,308	147,732	132,660
Purchase	5,712	3,900	20,263	18,331
	47,165	43,208	167,995	150,991
Crude palm oil	6,403	5,224	23,411	19,867
Palm kernel	1,799	1,404	6,475	5,639
Extraction Rate				
Crude palm oil	18.68%	18.65%	18.79%	18.62%
Palm kernel	5.25%	5.01%	5.20%	5.29%

A 3 Items Of Unusual Nature

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

A 4 Changes In Estimates Of Amounts Reported

There were no changes in estimates of amounts reported in prior financial years and prior interim periods that have a material effect in the current interim period.

A 5 Changes In Debt And Equity Securities

There were no issuances, repurchases and repayments of debts and equity securities for the twelve months ended 31 December 2008.

Notes To The Interim Financial Report - 31 December 2008

A 6 Dividends Paid

The amount of dividends paid during the twelve months ended 31 December 2008

In respect of the financial year ended 31 December 2008:

	RM'000
First interim dividend of 20% or 20 sen per stock unit less 26% taxation paid on 30 June 2008	10,390
Second interim dividend of 20% or 20 sen per stock unit less 26% taxation paid on 31 December 2008	10,390
	<u>20,780</u>

A 7 Segment Information

No segment information has been prepared as the Group's principal activities involve predominantly the cultivation of oil palms, process and sale of fresh fruit bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

A 8 Property, Plant And Equipment

There were no significant acquisitions and disposals of property, plant and equipment for the twelve months ended 31 December 2008.

There were no commitments for the purchase of property, plant and equipment for the twelve months ended 31 December 2008.

A 9 Material Events Subsequent To 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 2008.

A 10 Changes In Composition Of The Group

Other than the purchase and sale of quoted investments as disclosed in Note B7 and the subscription of shares in a jointly controlled entity as disclosed in Note B8, there were no business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinued operations.

A 11 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 2007.

A 12 Related Party Disclosures

	Twelve Months 31.12.2008 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Purchase of oil palm produce	377
Sale of oil palm produce	159
Agency fee	42
	<u>578</u>
(b) Related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	23,138
	<u>23,138</u>
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	54
	<u>54</u>
(d) Person connected to certain directors	
Purchase of fertilisers	3,924
	<u>3,924</u>
	As at 31.12.2008 RM'000
(e) Included in receivables are amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	1,325
Company in which certain directors and substantial shareholders have interests	159
	<u>1,484</u>

Notes To The Interim Financial Report - 31 December 2008

B Information As Required By The Listing Requirements (Part A Of Appendix 9B) Of Bursa Malaysia Securities Berhad

B 1 Review Of Performance

(i) Fourth financial quarter ended 31.12.2008

Revenue in the current financial quarter under review decreased by 21.42% from the previous corresponding financial quarter. The average selling prices of fresh fruits bunches ('ffb'), crude palm oil and palm kernel were significantly lower.

The Group suffered an overall loss for the current financial quarter under review as compared with an overall profit in the previous corresponding financial quarter. This is mainly due to: -

- (a) An unfavourable adjustment to the fair value of biological assets amounting to RM19,000,000 in current financial quarter as compared with a favourable adjustment of RM20,000,000 to the fair value of biological assets in previous corresponding financial quarter
- (b) An amount of impairment loss amounting to RM1,013,000 relating to the impairment of quoted investments was recognised in the current financial quarter. In the previous corresponding financial quarter, the market value of the quoted investments was higher than its cost.

Excluding the adjustments in the fair value of biological assets and impairment loss, profit for the period in the current financial quarter was lower when compared with the previous corresponding financial quarter due mainly to a decrease in revenue and an increase in operating expenses mainly due to high cost of fertilisers.

The production of ffb, crude palm oil and palm kernel were higher.

(ii) Twelve months ended 31.12.2008

Revenue in the current financial year under review increased by 41.25% from the previous corresponding financial year. The average selling prices of ffb, crude palm oil and palm kernel were significantly higher.

Overall profit for the current financial year under review was lower as compared with the previous financial year mainly due to an unfavourable adjustment to the fair value of biological assets and an amount of impairment loss on quoted investments as mentioned above.

Excluding the adjustments in the fair value of biological assets and impairment loss, profit for the period in the current financial year was higher when compared with the previous financial year due mainly to an increase in revenue as a result of higher average selling prices of ffb, crude palm oil and palm kernel.

The production of ffb, crude palm oil and palm kernel were higher.

B 2 Material Change In The Profit Before Taxation For The Fourth Financial Quarter Compared With The Immediate Preceding Quarter

Revenue in the fourth financial quarter under review decreased by 38.25% when compared with the preceding financial quarter. The average selling prices of ffb, crude palm oil and palm kernel were significantly lower.

The Group suffered a loss before taxation in the fourth financial quarter as compared with a profit before taxation in the immediate preceding quarter mainly due to an unfavourable adjustment to the fair value of biological assets and an amount of impairment loss on quoted investments, as mentioned in Note B1 above.

The production of ffb, crude palm oil and palm kernel were higher.

Excluding the adjustments in the fair value of biological assets and impairment loss, profit before taxation in the current financial quarter was lower when compared with the preceding financial quarter due mainly to a decrease in revenue as a result of lower average selling prices of ffb, crude palm oil and palm kernel.

B 3 Prospects For Financial Year Ending 31 December 2009

The average selling prices of ffb, crude palm oil and palm kernel has declined sharply. The current downtrend in the average selling prices would have a corresponding effect on the financial performance of the Group for the financial year ending 31 December 2009.

Notes To The Interim Financial Report - 31 December 2008

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 Taxation

	Fourth Financial Quarter 31.12.2008 RM'000	Twelve Months 31.12.2008 RM'000
Income tax:		
Current provision	1,273	12,734
Underprovision in prior year	-	77
	<u>1,273</u>	<u>12,811</u>
Deferred taxation	(4,733)	(4,863)
	<u>(3,460)</u>	<u>7,948</u>

The effective tax rate for the fourth financial quarter under review is lower than the statutory rate due mainly to the effect of share of loss of associates and a jointly controlled entity and certain income not assessable for tax purpose. The effective tax rate for the twelve months under review is higher than the statutory rate due mainly to certain expenses which are not deductible for income tax purpose and the effect of share of loss of associates and a jointly controlled entity.

B 6 Profits/(Losses) On Sale Of Unquoted Investments And/or Properties

During the twelve months ended 31 December 2008,

- (i) There were no sales of unquoted investments.
- (ii) The Group sold 1.263 acres of estate land and profit arising therefrom amounted to RM17,000.

B 7 Quoted Securities

- (i) Purchases and sale of quoted securities

	Fourth Financial Quarter 31.12.2008 RM'000	Twelve Months 31.12.2008 RM'000
Purchase consideration	1,480	12,090
Sale proceeds	-	379
Profit on sale	-	131

- (ii) Investments in quoted securities as at 31 December 2008: -

	RM'000
At cost	<u>21,246</u>
At carrying value/book value	<u>20,233</u>
At market value	<u>20,233</u>

Notes To The Interim Financial Report - 31 December 2008

B 8 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.

During the financial year ended 31 December 2006, the Company and its subsidiaries subscribed for an aggregate of 7,200,000 shares in Chin Thye Investment Pte Ltd for a total cash subscription sum of RM16,949,730 on a pro-rata basis.

There were no further subscription of shares during the financial year ended 31 December 2007.

During the second financial quarter ended 30 June 2008, the Company and its subsidiaries further subscribed for an aggregate of 3,400,000 shares in Chin Thye Investment Pte Ltd for a total cash subscription sum of RM8,139,610 on a pro-rata basis.

There were no further subscription of shares during the period since 30 June 2008 to the date of issue of this interim financial report.

B 9 Borrowings And Debt Securities

As at 31 December 2008, there were no borrowings and debt securities.

B 10 Off Balance Sheet Financial Instruments

As at the date of issue of this interim financial report, there were no off balance sheet financial instruments transacted.

B 11 Material Litigation

There were no material litigations as at 31 December 2007 and at the date of issue of this interim financial report.

Notes To The Interim Financial Report - 31 December 2008

B 12 Dividends

- (i) A first interim dividend of 20% less 26% taxation and a second interim dividend of 20% less 26% taxation in respect of the financial year ended 31 December 2008 was paid on 30 June 2008 and 31 December 2008 respectively.
- (ii) In view of the payment of the interim dividends, the directors do not recommend a final dividend in respect of the financial year ended 31 December 2008.
- (iii) The total dividends for the current financial year ended 31 December 2008:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	%	%	%
First interim	20.00	26.00	14.80
Second interim	20.00	26.00	14.80
	<u>40.00</u>	<u>26.00</u>	<u>29.60</u>

- (iv) The total dividends for the previous financial year ended 31 December 2007:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	%	%	%
First interim	10.00	27.00	7.30
Second interim	15.00	27.00	10.95
	<u>25.00</u>	<u>27.00</u>	<u>18.25</u>

B 13 (Loss) / Earnings Per Stock Unit

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

	Furth Financial Quarter		Twelve Months	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
(Loss) / Profit attributable to equity holders of the Company (RM'000)	(11,689)	22,508	16,519	38,163
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
(Loss) / Earnings per stock unit (sen)				
Basic	(16.65)	32.06	23.53	54.36
Diluted	(16.65)	32.06	23.53	54.36

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.

B 14 Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2007 was not qualified.

By Order of the Board

Gan Kok Tiong
 Company Secretary
 27 February 2009