

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

**Condensed Consolidated Income Statement**  
**For The First Financial Quarter And Three Months Ended 31 March 2009**

	First Financial Quarter 31 March		Three Months 31 March	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	15,717	24,897	15,717	24,897
Cost of sales	(8,088)	(8,381)	(8,088)	(8,381)
Gross profit	7,629	16,516	7,629	16,516
Other income	753	1,038	753	1,038
Administrative expenses	(2,360)	(2,495)	(2,360)	(2,495)
Selling expenses	(314)	(316)	(314)	(316)
Replanting expenses	(251)	(198)	(251)	(198)
Other operating expenses	(1,173)	-	(1,173)	-
Operating profit	4,284	14,545	4,284	14,545
Share of (loss) / profit of associates	(226)	7	(226)	7
Share of loss of a jointly controlled entity	(1,108)	(259)	(1,108)	(259)
Profit before taxation	2,950	14,293	2,950	14,293
Taxation	(1,337)	(3,676)	(1,337)	(3,676)
Profit for the period	1,613	10,617	1,613	10,617
Attributable to:				
Equity holders of the Company	1,696	9,389	1,696	9,389
Minority interests	(83)	1,228	(83)	1,228
	1,613	10,617	1,613	10,617
Earnings per stock unit attributable to equity holders of the Company				
Basic	2.42 sen	13.37 sen	2.42 sen	13.37 sen
Diluted	2.42 sen	13.37 sen	2.42 sen	13.37 sen

**Negri Sembilan Oil Palms Berhad (592D)**  
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**Condensed Consolidated Balance Sheet**  
**As At 31 March 2009**

	<b>31.3.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	81,251	81,015
Prepaid land lease payments	66,570	66,817
Biological assets	49,200	49,200
Investment in associates	9,649	9,919
Investment in a jointly controlled entity	21,459	23,779
Other investments	20,406	20,233
	<u>248,535</u>	<u>250,963</u>
<b>Current Assets</b>		
Inventories	1,342	2,607
Receivables	3,495	4,491
Tax recoverable	4,503	2,634
Cash and bank balances	110,433	108,040
	<u>119,773</u>	<u>117,772</u>
<b>TOTAL ASSETS</b>	<u>368,308</u>	<u>368,735</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	70,202	70,202
Share premium	4,336	4,336
Other reserves	60,922	62,131
Retained profits	153,264	151,449
	<u>288,724</u>	<u>288,118</u>
<b>Minority Interests</b>	51,114	51,362
<b>Total Equity</b>	<u>339,838</u>	<u>339,480</u>
<b>Non-Current Liability</b>		
Deferred tax liability	23,284	23,332
	<u>23,284</u>	<u>23,332</u>
<b>Current Liabilities</b>		
Payables	5,186	5,920
Taxation	-	3
	<u>5,186</u>	<u>5,923</u>
<b>Total Liabilities</b>	<u>28,470</u>	<u>29,255</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>368,308</u>	<u>368,735</u>
Net assets per stock unit attributable to equity holders of the Company	<u>RM4.11</u>	<u>RM4.10</u>

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

**Condensed Consolidated Statement Of Changes In Equity**  
**For The Three Months Ended 31 March 2009**

	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 2008	70,202	4,336	60,389	1,949	155,234	292,110	48,956	341,066
Revaluation reserve of leasehold lands realised	-	-	(119)	-	119	-	-	-
Foreign currency translation	-	-	-	(1,058)	-	(1,058)	(157)	(1,215)
Net income / (expense) recognised directly in equity	-	-	(119)	(1,058)	119	(1,058)	(157)	(1,215)
Profit for the period	-	-	-	-	9,389	9,389	1,228	10,617
Total recognised income / (expense) for the period	-	-	(119)	(1,058)	9,508	8,331	1,071	9,402
At 31 March 2008	70,202	4,336	60,270	891	164,742	300,441	50,027	350,468
At 1 January 2009	70,202	4,336	59,913	2,218	151,449	288,118	51,362	339,480
Revaluation reserve of leasehold lands realised	-	-	(119)	-	119	-	-	-
Foreign currency translation	-	-	-	(1,090)	-	(1,090)	(165)	(1,255)
Net income / (expense) recognised directly in equity	-	-	(119)	(1,090)	119	(1,090)	(165)	(1,255)
Profit for the period	-	-	-	-	1,696	1,696	(83)	1,613
Total recognised income / (expense) for the period	-	-	(119)	(1,090)	1,815	606	(248)	358
At 31 March 2009	70,202	4,336	59,794	1,128	153,264	288,724	51,114	339,838

**Negri Sembilan Oil Palms Berhad (592D)**  
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**Condensed Consolidated Cash Flow Statement**  
**For The Three Months Ended 31 March 2009**

	<b>31.3.2009</b>	<b>31.3.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	2,950	14,293
Adjustment for:		
Non-cash items	2,867	369
Non-operating items	(605)	(726)
Operating profit before working capital changes	<u>5,212</u>	<u>13,936</u>
Changes in working capital		
Net changes in current assets	2,215	(1,593)
Net changes in current liabilities	(734)	1,120
Cash generated from operations	<u>6,693</u>	<u>13,463</u>
Taxes paid	(3,249)	(2,884)
Net cash generated from operating activities	<u>3,444</u>	<u>10,579</u>
<b>Cash Flows From Investing Activities</b>		
Property, plant and equipment	(438)	(164)
Other investments	(1,121)	(2,939)
Interest received	575	703
Net dividends received	67	84
Net cash used in investing activities	<u>(917)</u>	<u>(2,316)</u>
<b>Net Increase In Cash And Cash Equivalents</b>	2,527	8,263
<b>Effects Of Exchange Rate Changes</b>	(136)	274
<b>Cash And Cash Equivalents At Beginning Of Period</b>	107,746	113,558
<b>Cash And Cash Equivalents At End Of Period</b>	<u>110,137</u>	<u>122,095</u>

**Notes To The Interim Financial Report - 31 March 2009**

**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 2008.

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 2008.

At the date of authorisation of this interim financial report, the following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:-

FRS and Interpretations		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

The new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon their initial application of FRS 7 and FRS 139.

**A 2 Seasonal Or Cyclical Nature Of Operations**

The revenue and earnings are impacted by the production of fresh fruit bunches and volatility of the selling prices of fresh fruit bunches, crude palm oil and palm kernel.

The production of fresh fruit bunches depends on weather conditions, production cycle of the palms and the age of the palms.

The plantation statistics are as follows:

Average planted area for three months ended 31 March 2009:

Mature	6,860			
Replanting and immature	298			
	<u>7,158</u>			
	First Financial Quarter		Three Months	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008
Production (m/t)				
fresh fruit bunches				
Own estates	35,276	33,996	35,276	33,996
Purchase	6,172	4,810	6,172	4,810
	<u>41,448</u>	<u>38,806</u>	<u>41,448</u>	<u>38,806</u>
Crude palm oil	5,903	5,213	5,903	5,213
Palm kernel	1,687	1,399	1,687	1,399
Extraction Rate				
Crude palm oil	18.61%	18.87%	18.61%	18.87%
Palm kernel	5.32%	5.06%	5.32%	5.06%

**Notes To The Interim Financial Report - 31 March 2009**

**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 three months ended 31 March 2009.

**A 6 Dividends Paid**

No dividend was paid during the three months ended 31 March 2009.

**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 no disposals of property, plant and equipment for the three months ended 31 March 2009.

There were no commitments for the purchase of property, plant and equipment for the three months ended 31 March 2009.

**A 9 Material Events Subsequent To First Financial Quarter**

Other than the declaration of the first interim dividend as disclosed in Note B12 and increase in investment in jointly controlled entity as disclosed in Note B8, 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 2009.

**A 10 Changes In Composition Of The Group**

Other than the purchase and sale of quoted investments as disclosed in Note B7 and increase in investment in 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 2008.

**Notes To The Interim Financial Report - 31 March 2009**

**A 12 Related Party Disclosures**

	Three Months 31.3.2009 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Purchase of oil palm produce	18
Sale of oil palm produce	251
Agency fee	11
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(b) Related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	3,244
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(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	14
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(d) Person connected to certain directors	
Purchase of fertilisers	11
	<hr/>
	As at 31.3.2009 RM'000
(e) Included in receivables are amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	1,162
Company in which certain directors and substantial shareholders have interests	18
	<hr/>
(f) Included in payables is an amount due to: -	
Person connected to certain directors	11
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**B Information As Required By The Listing Requirements (Part A Of Appendix 9B) Of Bursa Malaysia Securities Berhad**

**B 1 Review Of Performance**

During the financial quarter and period under review, the average selling prices of fresh fruits bunches ('ffb'), crude palm oil and palm kernel were substantially lower than those in the previous corresponding financial quarter and period and these had resulted in a decrease of 36.87% and 84.81% in revenue and profit for the period respectively.

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

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

Revenue in the first financial quarter under review decreased by 19.56% when compared with the immediate preceding financial quarter due to lower average selling prices and sale volume of crude palm oil and palm kernel.

The Group recorded a profit before taxation in the first financial quarter as compared with a loss before taxation in the immediate preceding financial quarter. This was due mainly to an unfavourable adjustment of RM19 million representing the decrease in the fair value of biological assets recognised in the income statement arising from the valuation of biological assets performed by a professional valuer in the preceding financial quarter.

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

Excluding the adjustment in the fair value of biological assets, there was no material change in profit before taxation in the current financial quarter when compared with the immediate preceding financial quarter.

**B 3 Prospects For Financial Year Ending 31 December 2009**

The average selling price of crude palm oil has increased recently since its sharp decline. The financial performance from the plantation operations for the current financial year would depend on the volatility of the selling price of crude palm oil.

**Notes To The Interim Financial Report - 31 March 2009**

**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**

	First Financial Quarter 31.3.2009 RM'000	Three Months 31.3.2009 RM'000
Income tax:		
Current provision	1,380	1,380
Deferred taxation	(43)	(43)
	1,337	1,337

The effective tax rate for the three 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**

There were no sales of unquoted investments and properties for the three months ended 31 March 2009.

**B 7 Quoted Securities**

(i) Purchases and sale of quoted securities

	First Financial Quarter 31.3.2009 RM'000	Three Months 31.3.2009 RM'000
Purchase consideration	1,296	1,296
Sale proceeds	175	175
Profit on sale	99	99

(ii) Investments in quoted securities as at 31 March 2009: -

	RM'000
At cost	22,466
At carrying value/book value	20,406
At market value	20,406



**Notes To The Interim Financial Report - 31 March 2009**

**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.

The subscriptions of shares by the Group in Chin Thye Investment Pte Ltd are as follows:-

Financial year ended	No. of shares	Amount (RM'000)
31.12.2006	7,200,000	16,950
31.12.2007	-	-
31.12.2008	3,400,000	8,140

There were no subscription of shares during the three months period ended 31 March 2009. However, subsequent to the first financial quarter ended 31 March 2009, the Group further subscribed for 1,060,000 shares for a total cash subscription sum of RM2,541,615 pursuant to a rights issue of shares on a pro-rata basis.

**B 9 Borrowings And Debt Securities**

As at 31 March 2009, 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 2008 and at the date of issue of this interim financial report.

**B 12 Dividends**

- (i) A first interim dividend in respect of the financial year ending 31 December 2009 has been declared by the Board of Directors.
- (ii) The amount per stock unit: 10% or 10 sen per stock unit less 25% taxation.
- (iii) The date payable for the first interim dividend of 10% or 10 sen per stock unit less 25% taxation: 30 June 2009.
- (iv) In respect of deposited securities, entitlement to the first interim dividend of 10% or 10 sen per stock unit less 25% taxation will be determined on the basis of the record of depositors as at 15 June 2009.
- (v) The total dividends for the current financial year ending 31 December 2009:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	%	%	%
First interim	10.00	25.00	7.50

- (vi) The total dividends for the previous 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
	40.00	26.00	29.60

**Notes To The Interim Financial Report - 31 March 2009**

**B 13 Earnings Per Stock Unit**

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

	First Financial Quarter		Three Months	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008
Profit attributable to equity holders of the Company (RM'000)	1,696	9,389	1,696	9,389
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	2.42	13.37	2.42	13.37
Diluted	2.42	13.37	2.42	13.37

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 14 Auditors' Report On Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2008 was not qualified.

By Order of the Board

Gan Kok Tiong  
Company Secretary  
28 May 2009