

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

**Condensed Consolidated Income Statement**  
**For The Second Financial Quarter And Six Months Ended 30 June 2009**

	<b>Second</b>		<b>Six Months</b>	
	<b>Financial Quarter</b>		<b>30 June</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	21,347	29,377	37,064	54,274
Cost of sales	(10,606)	(11,376)	(18,694)	(19,757)
Gross profit	10,741	18,001	18,370	34,517
Other income	3,160	2,522	2,740	3,560
Administrative expenses	(2,425)	(2,805)	(4,785)	(5,300)
Selling expenses	(405)	(387)	(719)	(703)
Replanting expenses	(334)	(189)	(585)	(387)
Operating profit	10,737	17,142	15,021	31,687
Share of profit / (loss) of associates	230	(12)	4	(5)
Share of loss of a jointly controlled entity	(25)	(101)	(1,133)	(360)
Profit before taxation	10,942	17,029	13,892	31,322
Taxation	(1,919)	(4,071)	(3,256)	(7,747)
Profit for the period	9,023	12,958	10,636	23,575
Attributable to:				
Equity holders of the Company	7,770	11,065	9,466	20,454
Minority interests	1,253	1,893	1,170	3,121
	9,023	12,958	10,636	23,575
Earnings per stock unit attributable to equity holders of the Company				
Basic	11.07 sen	15.76 sen	13.48 sen	29.14 sen
Diluted	11.07 sen	15.76 sen	13.48 sen	29.14 sen

**Negri Sembilan Oil Palms Berhad (592D)**  
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**Condensed Consolidated Balance Sheet**  
**As At 30 June 2009**

	<b>30.6.2009</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	81,225	81,015
Prepaid land lease payments	66,322	66,817
Biological assets	49,200	49,200
Investment in associates	9,985	9,919
Investment in a jointly controlled entity	24,302	23,779
Other investments	22,726	20,233
	<u>253,760</u>	<u>250,963</u>
<b>Current Assets</b>		
Inventories	2,086	2,607
Receivables	4,726	4,491
Tax recoverable	5,301	2,634
Cash and bank balances	107,253	108,040
	<u>119,366</u>	<u>117,772</u>
<b>TOTAL ASSETS</b>	<u>373,126</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	61,188	62,131
Retained profits	155,888	151,449
	<u>291,614</u>	<u>288,118</u>
<b>Minority Interests</b>	51,946	51,362
<b>Total Equity</b>	<u>343,560</u>	<u>339,480</u>
<b>Non-Current Liability</b>		
Deferred tax liability	23,246	23,332
	<u>23,246</u>	<u>23,332</u>
<b>Current Liabilities</b>		
Payables	6,320	5,920
Taxation	-	3
	<u>6,320</u>	<u>5,923</u>
<b>Total Liabilities</b>	<u>29,566</u>	<u>29,255</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>373,126</u>	<u>368,735</u>
Net assets per stock unit attributable to equity holders of the Company	<u>RM4.15</u>	<u>RM4.10</u>

Condensed Consolidated Statement Of Changes In Equity  
For The Six Months Ended 30 June 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	-	-	(238)	-	238	-	-	-
Foreign currency translation	-	-	-	(195)	-	(195)	(138)	(333)
Net income / (expense) recognised directly in equity	-	-	(238)	(195)	238	(195)	(138)	(333)
Profit for the period	-	-	-	-	20,454	20,454	3,121	23,575
Total recognised income /(expense) for the period	-	-	(238)	(195)	20,692	20,259	2,983	23,242
Dividend	-	-	-	-	(10,390)	(10,390)	(1,119)	(11,509)
At 30 June 2008	70,202	4,336	60,151	1,754	165,536	301,979	50,820	352,799
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	-	-	(238)	-	238	-	-	-
Foreign currency translation	-	-	-	(705)	-	(705)	(118)	(823)
Net income / (expense) recognised directly in equity	-	-	(238)	(705)	238	(705)	(118)	(823)
Profit for the period	-	-	-	-	9,466	9,466	1,170	10,636
Total recognised income /(expense) for the period	-	-	(238)	(705)	9,704	8,761	1,052	9,813
Dividend	-	-	-	-	(5,265)	(5,265)	(468)	(5,733)
At 30 June 2009	70,202	4,336	59,675	1,513	155,888	291,614	51,946	343,560

**Negri Sembilan Oil Palms Berhad (592D)**  
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**Condensed Consolidated Cash Flow Statement**  
**For The Six Months Ended 30 June 2009**

	<b>30.6.2009</b>	<b>30.6.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	13,892	31,322
Adjustment for:		
Non-cash items	1,080	(343)
Non-operating items	(1,395)	(1,988)
Operating profit before working capital changes	<u>13,577</u>	<u>28,991</u>
Changes in working capital		
Net changes in current assets	187	(3,019)
Net changes in current liabilities	400	2,731
Cash generated from operations	<u>14,164</u>	<u>28,703</u>
Taxes paid	(5,996)	(5,782)
Net cash generated from operating activities	<u>8,168</u>	<u>22,921</u>
<b>Cash Flows From Investing Activities</b>		
Property, plant and equipment	(616)	(394)
Investment in a jointly controlled entity	(2,542)	(8,140)
Other investments	(1,382)	(5,926)
Interest received	985	1,480
Net dividends received	492	455
Net cash used in investing activities	<u>(3,063)</u>	<u>(12,525)</u>
<b>Cash Flows From Financing Activities</b>		
Dividend paid to shareholders of the Company	(5,265)	(10,390)
Dividend paid to minority interests	(468)	(1,119)
Net cash used in financing activities	<u>(5,733)</u>	<u>(11,509)</u>
<b>Net Decrease In Cash And Cash Equivalents</b>	<b>(628)</b>	<b>(1,113)</b>
<b>Effects Of Exchange Rate Changes</b>	<b>(161)</b>	<b>1,380</b>
<b>Cash And Cash Equivalents At Beginning Of Period</b>	<b>107,746</b>	<b>113,558</b>
<b>Cash And Cash Equivalents At End Of Period</b>	<u><b>106,957</b></u>	<u><b>113,825</b></u>

**Notes To The Interim Financial Report - 30 June 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 six months ended 30 June 2009:

Mature	6,852
Replanting and immature	308
	<u>7,160</u>

	Second Financial Quarter		Six Months	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
Production (m/t)				
fresh fruit bunches				
Own estates	36,541	34,758	71,817	68,754
Purchase	7,899	3,925	14,071	8,735
	<u>44,440</u>	<u>38,683</u>	<u>85,888</u>	<u>77,489</u>
Crude palm oil	6,742	5,589	12,645	10,802
Palm kernel	1,916	1,534	3,603	2,933
Extraction Rate				
Crude palm oil	18.60%	18.88%	18.61%	18.87%
Palm kernel	5.28%	5.18%	5.30%	5.12%

**Notes To The Interim Financial Report - 30 June 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 six months ended 30 June 2009.

**A 6 Dividends Paid**

The amount of dividend paid during the six months ended 30 June 2009.

In respect of the financial year ending 31 December 2009:

First interim dividend of 10% or 10 sen per stock unit less 25% taxation paid on 30 June 2009	RM'000 <u>5,265</u>
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**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 six months ended 30 June 2009.

There were no commitments for the purchase of property, plant and equipment for the six months ended 30 June 2009.

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

There were no material events subsequent to the second financial quarter that have not been reflected in the financial statements for the financial quarter ended 30 June 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 - 30 June 2009**

**A 12 Related Party Disclosures**

	Six Months 30.6.2009 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	21
	<hr/>
(b) Related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	7,214
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(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	88
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(d) Person connected to certain directors	
Purchase of fertilisers	456
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	As at 30.6.2009 RM'000
(e) Included in receivables are amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	1,319
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(f) Included in payables are amounts due to: -	
Person connected to certain directors	111
Company in which certain directors and substantial shareholders have interests	21
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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**

When compared with the previous corresponding financial quarter and period, revenue in the second financial quarter and period under review decreased by 27.33% and 31.71% respectively and profit for the period in the second financial quarter and period under review decreased by 30.37% and 54.88% respectively. These were mainly due to substantially lower average selling prices of fresh fruit bunches ('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 Second Financial Quarter Compared With The Immediate Preceding Quarter**

Revenue in the second financial quarter under review increased by 35.82% when compared with the immediate preceding financial quarter due mainly to higher average selling prices of ffb, crude palm oil and palm kernel.

Other income was also higher due mainly to an amount of RM2,060,000 representing reversal of impairment loss of quoted investments. Share of loss of a jointly controlled entity was lower.

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

Overall, profit before taxation in the current financial quarter under review increased by 270.92% when compared with the immediate preceding financial quarter due to the reasons mentioned above.

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

The average selling price of crude palm oil in the current financial year would be lower than that in the previous financial year. Correspondingly, the financial performance, excluding fair value adjustment in biological assets, for the current financial year would be lower.

**Notes To The Interim Financial Report - 30 June 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**

	Second Financial Quarter 30.6.2009 RM'000	Six Months 30.6.2009 RM'000
Income tax:		
Current provision	2,022	3,402
Overprovision in prior year	(60)	(60)
	<u>1,962</u>	<u>3,342</u>
Deferred taxation	(43)	(86)
	<u>1,919</u>	<u>3,256</u>

The effective tax rate for the second financial quarter and six months under review is lower than the statutory rate due mainly to certain income which are not assessable for income tax purpose.

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

There were no sales of unquoted investments and properties for the six months ended 30 June 2009.

**B 7 Quoted Securities**

(i) Purchases and sale of quoted securities

	Second Financial Quarter 30.6.2009 RM'000	Six Months 30.6.2009 RM'000
Purchase consideration	261	1,557
Sale proceeds	-	175
Profit on sale	-	99

(ii) Investments in quoted securities as at 30 June 2009: -

	RM'000
At cost	<u>22,726</u>
At carrying value/book value	<u>22,726</u>
At market value	<u>27,746</u>



**Notes To The Interim Financial Report - 30 June 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 in the previous financial years are as

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
	<u>10,600,000</u>	<u>25,090</u>

During the six months ended 30 June 2009 the Company 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.

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

**B 9 Borrowings And Debt Securities**

As at 30 June 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 of 10% or 10 sen per stock unit less 25% in respect of the financial year ending 31 December 2009 was paid on 30 June 2009.

(ii) No further interim dividend has been declared in respect of the six months ended 30 June 2009.

(iii) 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

(iv) 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
	<u>40.00</u>	<u>26.00</u>	<u>29.60</u>

**Notes To The Interim Financial Report - 30 June 2009**

**B 13 Earnings Per Stock Unit**

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

	Second Financial Quarter		Six Months	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
Profit attributable to equity holders of the Company (RM'000)	7,770	11,065	9,466	20,454
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	11.07	15.76	13.48	29.14
Diluted	11.07	15.76	13.48	29.14

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 August 2009