

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

**Condensed Consolidated Income Statement**  
**For The Fourth Financial Quarter And Twelve Months Ended 31 December 2009**

	Fourth		Twelve Months	
	Financial Quarter		31 December	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	21,148	19,539	79,336	105,456
Cost of sales	(8,398)	(12,022)	(37,443)	(46,385)
Gross profit	12,750	7,517	41,893	59,071
Other income	651	1,088	4,765	5,784
Administrative expenses	(3,557)	(2,850)	(10,917)	(11,428)
Selling expenses	(350)	(394)	(1,473)	(1,608)
Replanting expenses	(787)	(519)	(1,688)	(1,262)
Other operating expenses	(198)	(1,059)	-	(1,059)
Fair value adjustment of biological assets	5,900	(19,000)	5,900	(19,000)
Operating profit	14,409	(15,217)	38,480	30,498
Share of (loss) / profit of associates	(82)	(720)	341	(940)
Share of loss of a jointly controlled entity	(782)	(51)	(2,052)	(441)
Profit before taxation	13,545	(15,988)	36,769	29,117
Taxation	(3,653)	3,460	(8,984)	(7,948)
Profit for the period	9,892	(12,528)	27,785	21,169
Attributable to:				
Equity holders of the Company	8,498	(11,689)	24,075	16,519
Minority interests	1,394	(839)	3,710	4,650
	9,892	(12,528)	27,785	21,169
Earnings per stock unit attributable to equity holders of the Company				
Basic	12.11 sen	(16.65) sen	34.29 sen	23.53 sen
Diluted	12.11 sen	(16.65) sen	34.29 sen	23.53 sen

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

	<b>31.12.2009</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	81,147	81,015
Prepaid land lease payments	65,826	66,817
Biological assets	55,100	49,200
Investment in associates	19,844	9,919
Investment in a jointly controlled entity	24,495	23,779
Other investments	15,965	20,233
	<u>262,377</u>	<u>250,963</u>
<b>Current Assets</b>		
Inventories	2,612	2,607
Receivables	4,559	4,491
Tax recoverable	2,058	2,634
Cash and bank balances	112,970	108,040
	<u>122,199</u>	<u>117,772</u>
<b>TOTAL ASSETS</b>	<u>384,576</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	61,850	62,131
Retained profits	162,838	151,449
	<u>299,226</u>	<u>288,118</u>
<b>Minority Interests</b>	54,013	51,362
<b>Total Equity</b>	<u>353,239</u>	<u>339,480</u>
<b>Non-Current Liability</b>		
Deferred tax liability	24,661	23,332
<b>Current Liabilities</b>		
Payables	6,676	5,920
Taxation	-	3
	<u>6,676</u>	<u>5,923</u>
<b>Total Liabilities</b>	<u>31,337</u>	<u>29,255</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>384,576</u>	<u>368,735</u>
Net assets per stock unit attributable to equity holders of the Company	<u>RM4.26</u>	<u>RM4.10</u>

Condensed Consolidated Statement Of Changes In Equity  
For The Twelve Months Ended 31 December 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 reserve 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	-	-	(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
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	-	-	(476)	-	476	-	-	-
Foreign currency translation	-	-	-	195	-	195	28	223
Net income / (expense) recognised directly in equity	-	-	(476)	195	476	195	28	223
Profit for the period	-	-	-	-	24,075	24,075	3,710	27,785
Total recognised income / (expense) for the period	-	-	(476)	195	24,551	24,270	3,738	28,008
Dividends	-	-	-	-	(13,162)	(13,162)	(1,087)	(14,249)
At 31 December 2009	70,202	4,336	59,437	2,413	162,838	299,226	54,013	353,239

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

	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	36,769	29,117
Adjustment for:		
Non-cash items	(4,260)	21,439
Non-operating items	(2,663)	(3,872)
Operating profit before working capital changes	<u>29,846</u>	<u>46,684</u>
Changes in working capital		
Net changes in current assets	(205)	1,338
Net changes in current liabilities	756	243
Cash generated from operations	<u>30,397</u>	<u>48,265</u>
Taxes paid	(7,047)	(15,866)
Net cash generated from operating activities	<u>23,350</u>	<u>32,399</u>
<b>Cash Flows From Investing Activities</b>		
Property, plant and equipment	(1,014)	(876)
Investment in an associate	(9,587)	-
Investment in a jointly controlled entity	(2,542)	(8,140)
Other investments	5,978	(11,692)
Interest received	1,714	2,850
Net dividends received	1,005	987
(Placement) / Withdrawal of fixed deposits	(27)	2
Net cash used in investing activities	<u>(4,473)</u>	<u>(16,869)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid to shareholders of the Company	(13,162)	(20,780)
Dividends paid to minority interests	(1,087)	(2,238)
Net cash used in financing activities	<u>(14,249)</u>	<u>(23,018)</u>
<b>Net Increase In Cash And Cash Equivalents</b>	4,628	(7,488)
<b>Effects Of Exchange Rate Changes</b>	275	1,676
<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>112,649</u>	<u>107,746</u>

**Notes To The Interim Financial Report - 31 December 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, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:-

FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 8	Operating Segments	1 July 2009
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements (as revised in 2009)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendment to FRS 8	Operating Segments	1 January 2010
Amendment to FRS 107	Cash Flow Statements	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events After the Balance Sheet Date	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosures of Government Assistance	1 January 2010
Amendment to FRS 123	Borrowing Costs	1 January 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interests in Joint Ventures	1 January 2010
Amendment to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivates	1 January 2010
Improvements to FRSs - 2009	Improvements to FRSs (2009)	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

Notes To The Interim Financial Report - 31 December 2009

**A 1 Basis Of Preparation (Cont'd)**

FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 127	Consolidated and Separate Financial Statements (amended)	1 July 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estates	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010

The above new FRSs, Amendments to FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes arising from the adoption of FRS 7, FRS 139, FRS 101 and FRS 138.

The Group is exempted from disclosing the possible impact to the financial statements upon the 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 twelve months ended 31 December 2009:

Mature	6,857
Replanting and immature	303
	<u>7,160</u>

	Fourth Financial Quarter		Twelve Months	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Production (m/t)				
fresh fruit bunches				
Own estates	41,763	41,453	150,110	147,732
Purchase	4,868	5,712	25,063	20,263
	<u>46,631</u>	<u>47,165</u>	<u>175,173</u>	<u>167,995</u>
Crude palm oil	5,926	6,403	24,874	23,411
Palm kernel	1,608	1,799	7,006	6,475
Extraction Rate				
Crude palm oil	18.80%	18.68%	18.75%	18.79%
Palm kernel	5.10%	5.25%	5.28%	5.20%

**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.

Notes To The Interim Financial Report - 31 December 2009

**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 2009.

**A 6 Dividends Paid**

The amount of dividends paid during the twelve months ended 31 December 2009.

In respect of the financial year ended 31 December 2009:

	RM'000
First interim dividend of 10% or 10 sen per stock unit less 25% taxation paid on 30 June 2009	5,265
Second interim dividend of 15% or 15 sen per stock unit less 25% taxation paid on 31 December 2009	<u>7,897</u>
	<u>13,162</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 no disposals of property, plant and equipment for the twelve months ended 31 December 2009.

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

**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 2009.

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

Other than the purchase and sale of quoted investments as disclosed in Note B7, increase in investment in a jointly controlled entity as disclosed in Note B8 and increase in investment in an associate, 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 December 2009**

**A 12 Related Party Disclosures**

	Twelve Months 31.12.2009 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Purchase of oil palm produce	136
Sale of oil palm produce	251
Agency fee	42
	<hr/>
(b) Related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	17,724
	<hr/>
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	177
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(d) Person connected to certain directors	
Purchase of fertilisers	3,033
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	As at 31.12.2009 RM'000
(e) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	2,219
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(f) Included in payables is an amount due to: -	
Person connected to certain directors	987
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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**

(a) Fourth financial quarter ended 31 December 2009

When compared with the previous corresponding financial quarter, revenue in the fourth financial quarter under review increased by 8.23% due mainly to higher average selling prices of fresh fruit bunches, crude palm oil and palm kernel.

In the fourth financial quarter under review, the Group posted a profit after taxation as compared with a loss after taxation in the previous corresponding financial quarter. This is mainly due to the reversal in the adjustment in the fair value of biological assets. In the current financial quarter under review, the fair value of biological assets increased by RM5,900,000 as compared with a decrease of RM19,000,000 in the previous corresponding financial quarter. The effect, net of tax arising from the changes in fair value of biological assets for the fourth financial quarter under review is an increase of RM4,425,000 (2008: a decrease of RM14,250,000)

Excluding the adjustment in fair value of biological assets, profit after taxation in the current financial quarter under review increased substantially due mainly to an increase in revenue and a decrease in fertiliser expenditure.

(b) Twelve months ended 31 December 2009

When compared with the previous corresponding financial year, revenue in the current financial year under review decreased by 24.77% due mainly to lower average selling prices of fresh fruit bunches, crude palm oil and palm kernel.

In the current financial year under review, profit after taxation increased by 31.25% as compared with the previous financial year. This is mainly due to the reversal in the adjustment in fair value of biological assets. In the current financial year under review, the fair value of biological assets increased by RM5,900,000 as compared with a decrease of RM19,000,000 in the previous financial year. The effect, net of tax arising from the changes in fair value of biological assets for the current financial year under review is an increase of RM4,425,000 (2008: a decrease of RM14,250,000)

Excluding the adjustment in fair value of biological assets, profit after taxation in the current financial year under review decreased by 34.05% due mainly to lower average selling prices of fresh fruit bunches, crude palm oil and palm kernel.



Notes To The Interim Financial Report - 31 December 2009

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

Profit before taxation in the fourth financial quarter increased by 45.15% when compared with the immediate preceding financial quarter due mainly to a favourable adjustment to the fair value of biological assets.

Excluding the adjustment in fair value of biological assets, profit before taxation decreased by 18.08% due mainly to reduced amount of other income. In the immediate preceding financial quarter, there was an amount of gain on sale of quoted investments which did not recur and an amount of unrealised gain on foreign exchange as compared with an amount of unrealised loss in the current financial quarter under review,

**B 3 Prospects For Financial Year Ending 31 December 2010**

The average selling price of crude palm oil has strengthened since the end of the financial year ended 31 December 2009. Correspondingly, the financial performance, excluding fair value adjustment in biological assets, for the financial year ending 31 December 2010 is expected to improve.

**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 31.12.2009 RM'000	Twelve Months 31.12.2009 RM'000
Income tax:		
Current provision	2,195	7,715
Overprovision in prior year	-	(60)
	<u>2,195</u>	<u>7,655</u>
Deferred taxation	1,458	1,329
	<u>3,653</u>	<u>8,984</u>

The effective tax rate for the fourth financial quarter under review is higher than the statutory rate due mainly to the effect of share of loss of associates and jointly controlled entity. The effective tax rate for the twelve months under review is lower than the statutory tax 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 twelve months ended 31 December 2009.

**B 7 Quoted Securities**

(i) Purchases and sale of quoted securities

	Fourth Financial Quarter 31.12.2009 RM'000	Twelve Months 31.12.2009 RM'000
Purchase consideration	58	1,855
Sale proceeds	-	7,833
Profit on sale	-	697

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

	RM'000
At cost	<u>15,965</u>
At carrying value/book value	<u>15,965</u>
At market value	<u>25,994</u>

**Notes To The Interim Financial Report - 31 December 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 follows:-

Financial year ended	No. of shares	Amount (RM)
31.12.2006	7,200,000	16,950,000
31.12.2007	-	-
31.12.2008	3,400,000	8,140,000
	<u>10,600,000</u>	<u>25,090,000</u>

During the twelve months ended 31 December 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.

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

**B 9 Borrowings And Debt Securities**

As at 31 December 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% less 25% taxation and a second interim dividend of 15% less 25% taxation in respect of the financial year ended 31 December 2009 was paid on 30 June 2009 and 31 December 2009 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 2009.

(iii) The total dividends for the current financial year ended 31 December 2009:-

Type of dividend	Gross	Tax	Net
	%	%	%
First interim	10.00	25.00	7.50
Second interim	15.00	25.00	11.25
	<u>25.00</u>	<u>25.00</u>	<u>18.75</u>

(iv) The total dividends for the previous financial year ended 31 December 2008:-

Type of dividend	Gross	Tax	Net
	%	%	%
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 - 31 December 2009

**B 13 Earnings Per Stock Unit**

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

	Fourth Financial Quarter		Twelve Months	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Profit attributable to equity holders of the Company (RM'000)	8,498	(11,689)	24,075	16,519
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	12.11	(16.65)	34.29	23.53
Diluted	12.11	(16.65)	34.29	23.53

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  
25 February 2010