

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

Condensed consolidated income statement
for the second financial quarter and six months ended 30 June 2011

	Second		Six months	
	financial quarter		30 June	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Revenue	32,151	21,158	60,147	40,364
Cost of sales	(10,972)	(10,437)	(21,142)	(19,243)
Gross profit	21,179	10,721	39,005	21,121
Other income	1,999	873	2,893	1,423
Selling expenses	(356)	(327)	(609)	(625)
Administrative expenses	(3,514)	(2,671)	(6,601)	(5,120)
Replanting expenses	(678)	(885)	(1,410)	(1,724)
Other expenses	-	(65)	-	(1,072)
Share of results of associates	(27)	(160)	83	(146)
Share of results of a jointly controlled entity	(239)	(117)	(453)	(226)
Profit before tax	18,364	7,369	32,908	13,631
Income tax expense	(4,279)	(1,798)	(7,816)	(3,594)
Profit net of tax	14,085	5,571	25,092	10,037
Attributable to:				
Owners of the parent	11,366	4,365	21,070	8,318
Minority interests	2,719	1,206	4,022	1,719
	14,085	5,571	25,092	10,037
Earnings per stock unit attributable to owners of the parent				
Basic	16.19 sen	6.22 sen	30.01 sen	11.85 sen
Diluted	16.19 sen	6.22 sen	30.01 sen	11.85 sen

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

Condensed consolidated statement of comprehensive income
for the second financial quarter and six months ended 30 June 2011

	Second financial quarter 30 June		Six months 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit net of tax	14,085	5,571	25,092	10,037
Other comprehensive income:				
Foreign currency translation	879	(62)	1,545	(1,762)
Net gain/(loss) on fair value changes of available-for-sale financial assets	545	(742)	262	(603)
Share of other comprehensive income of an associate	(4)	-	(3)	-
Total comprehensive income for the period	<u>15,505</u>	<u>4,767</u>	<u>26,896</u>	<u>7,672</u>
Attributable to:				
Owners of the parent	12,589	3,864	22,686	6,449
Minority interests	2,916	903	4,210	1,223
	<u>15,505</u>	<u>4,767</u>	<u>26,896</u>	<u>7,672</u>

Negri Sembilan Oil Palms Berhad (592D)
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Condensed consolidated statement of financial position
As at 30 June 2011

	30.6.2011	31.12.2010
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	147,145	147,013
Biological assets	60,600	60,600
Investment in associates	20,096	19,507
Investment in a jointly controlled entity	23,496	22,914
Investment securities	45,549	40,901
	<u>296,886</u>	<u>290,935</u>
Current assets		
Inventories	2,672	1,461
Receivables	5,703	6,140
Income tax recoverable	-	1,279
Cash and bank balances	122,872	109,982
	<u>131,247</u>	<u>118,862</u>
Total assets	<u>428,133</u>	<u>409,797</u>
Equity and liabilities		
Current liabilities		
Payables	6,139	5,939
Income tax payable	2,542	965
	<u>8,681</u>	<u>6,904</u>
Non-current liabilities		
Deferred tax liabilities	25,864	25,967
Total liabilities	<u>34,545</u>	<u>32,871</u>
Equity attributable to owners of the parent		
Share capital	70,202	70,202
Share premium	4,336	4,336
Retained profits	183,946	172,115
Other reserves	72,247	70,869
	<u>330,731</u>	<u>317,522</u>
Minority interests	62,857	59,404
Total equity	<u>393,588</u>	<u>376,926</u>
Total equity and liabilities	<u>428,133</u>	<u>409,797</u>
Net assets per stock unit attributable to owners of the parent	<u>RM4.71</u>	<u>RM4.52</u>

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

Condensed consolidated statement of changes in equity
for the six months ended 30 June 2011

		Attributable to owners of the parent															
		Equity attributable to owners of the parent, total					Non-Distributable										
		Equity, total		Share capital		Share premium		Retained profits		Asset revaluation reserve - lands		Foreign currency translation reserve		Fair value adjustment reserve		Minority interests	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010		363,288	307,017	70,202	4,336	162,838	59,437	2,413	7,791	56,271							
Total comprehensive income		7,672	6,449	-	-	8,318	-	(1,594)	(275)	1,223							
Revaluation reserve of leasehold land realised		-	-	-	-	239	(239)	-	-	-							
Dividends, representing total transaction with owners		(8,518)	(7,898)	-	-	(7,898)	-	-	-	(620)							
At 30 June 2010		362,442	305,568	70,202	4,336	163,497	59,198	819	7,516	56,874							
At 1 January 2011		376,926	317,522	70,202	4,336	172,115	58,960	1,462	10,447	59,404							
Total comprehensive income		26,896	22,686	-	-	21,070	-	1,378	238	4,210							
Revaluation reserve of leasehold land realised		-	-	-	-	238	(238)	-	-	-							
Dividends, representing total transaction with owners		(10,234)	(9,477)	-	-	(9,477)	-	-	-	(757)							
At 30 June 2011		393,588	330,731	70,202	4,336	183,946	58,722	2,840	10,685	62,857							

Negri Sembilan Oil Palms Berhad (592D)
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Condensed consolidated statement of cash flows
for the six months ended 30 June 2011

	30.6.2011	30.6.2010
	RM'000	RM'000
Operating activities		
Profit before tax	32,908	13,631
Adjustments	(1,262)	(1,152)
Operating cash flows before changes in working capital	31,646	12,479
Changes in working capital	(584)	(120)
Cash flows from operations	31,062	12,359
Taxes paid	(5,030)	(2,120)
Net cash flows from operating activities	<u>26,032</u>	<u>10,239</u>
Investing activities		
Property, plant and equipment	(1,096)	(967)
Investment securities	(4,387)	(7,761)
Interest received	1,099	824
Net dividends received	750	506
Net cash flows used in investing activities	<u>(3,634)</u>	<u>(7,398)</u>
Financing activities		
Dividends paid to owners of the parent	(9,477)	(7,898)
Dividends paid to minority interests	(757)	(620)
Net cash flows used in financing activities	<u>(10,234)</u>	<u>(8,518)</u>
Net increase/(decrease) in cash and cash equivalents	12,164	(5,677)
Effects of exchange rate changes on cash and cash equivalents	725	1,080
Cash and cash equivalents at beginning of period	109,654	112,649
Cash and cash equivalents at end of period	<u>122,543</u>	<u>108,052</u>

Notes to the interim financial report - 30 June 2011

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 Main Market 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 2010.

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 2010 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2011. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial statements of the Group.

The extensive disclosures of qualitative and quantitative information about exposures to risks from financial instruments as required by FRS 7 will be made in the audited annual 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 six months ended 30 June 2011:

	Hectares			
Mature	6,449			
Replanting and immature	711			
	<u>7,160</u>			
	Second financial quarter		Six months	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
Production (m/t)				
fresh fruit bunches				
Own estates	34,178	30,411	66,148	62,041
Purchase	5,056	5,298	9,737	9,905
	<u>39,234</u>	<u>35,709</u>	<u>75,885</u>	<u>71,946</u>
Crude palm oil	6,351	5,672	11,627	10,898
Palm kernel	1,691	1,572	3,176	2,925
	<u>8,042</u>	<u>7,244</u>	<u>14,803</u>	<u>13,823</u>
Extraction Rate				
Crude palm oil	19.65%	19.02%	19.14%	19.18%
Palm kernel	5.23%	5.27%	5.23%	5.15%

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.

Notes to the interim financial report - 30 June 2011

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 2011.

A 6 Fair value changes of financial liabilities

As at 30 June 2011, the Group did not have any financial liabilities measured at fair value through profit or loss.

A 7 Dividends paid

The amount of dividends paid during the six months ended 30 June 2011:

	RM'000
First interim dividend of 18% or 18 sen per stock unit less 25% taxation paid on 30 June 2011	<u>9,477</u>

A 8 Segment information

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The management monitors its operating results on group perspective basis. The Group's principal activities involve predominantly the cultivation of oil palms, production and sale of fresh fruits bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

The segment information are as follows:

	Oil palm plantation			
	Second financial quarter		Six months	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	32,151	21,158	60,147	40,364
Revenue from major customers	25,128	18,546	44,061	35,327
Reportable segment profit	<u>16,631</u>	<u>6,838</u>	<u>30,487</u>	<u>13,652</u>

Reportable segment's profit are reconciled as follows:

Total profit for reportable segment	16,631	6,838	30,487	13,652
Share of results of associates	(27)	(160)	83	(146)
Share of results of a jointly controlled entity	(239)	(117)	(453)	(226)
Other income	1,999	873	2,791	1,423
Other operating expenses	-	(65)	-	(1,072)
Profit before tax	<u>18,364</u>	<u>7,369</u>	<u>32,908</u>	<u>13,631</u>

	30.6.2011	31.12.2010
	RM'000	RM'000
Reportable segment assets	<u>219,963</u>	<u>214,999</u>

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	219,963	214,999
Investments in associates	20,096	19,507
Investment in a jointly controlled entity	23,496	22,914
Investment securities	45,549	40,901
Unallocated assets	119,029	111,476
Total assets	<u>428,133</u>	<u>409,797</u>

Reportable segment liabilities	<u>6,139</u>	<u>5,939</u>
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Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	6,139	5,939
Income tax payable	2,542	965
Deferred tax liabilities	25,864	25,967
Total liabilities	<u>34,545</u>	<u>32,871</u>

Notes to the interim financial report - 30 June 2011

A 9 Property, plant and equipment

There were no significant acquisitions and disposals of property, plant and equipment for the six months ended 30 June 2011.

There were no commitments for the purchase of property, plant and equipment for the six months ended 30 June 2011.

A 10 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 2011.

A 11 Changes in composition of the Group

Other than the purchase of quoted investments as disclosed in Note B7, there were no business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinued operations.

A 12 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 2010.

A 13 Related party disclosures

	Six months 30.6.2011 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Agency fee	<u>27</u>
(b) Related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	11,252
Purchase of oil palm produce	<u>383</u>
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	<u>89</u>
(d) Person connected to certain directors	
Purchase of fertilisers	<u>930</u>
	As at 30.6.2011 RM'000
(e) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	<u>1,468</u>
(f) Included in payables are amounts due to: -	
Person connected to certain directors	225
Company in which certain directors and substantial shareholders have interests	<u>45</u>

Notes to the interim financial report - 30 June 2011

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

During the second financial quarter and six months period under review, revenue improved by 51.96% and 49.01% respectively when compared with the previous corresponding financial quarter and period due mainly to substantial increase in the average selling prices of ffb, crude palm oil and palm kernel.

The substantial improvement in revenue has resulted in an increase in the profit net of tax in the second financial quarter and six months period under review by 152.83% and 150% respectively despite an increase in overall operating expenses.

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 improved by 14.84% when compared with the immediate preceding financial quarter due mainly to an increase in the sales volume of crude palm oil and palm kernel and the average selling price of palm kernel even though the average selling prices of ffb and crude palm oil and sales volume of ffb were lower.

The improvement in revenue has resulted in an increase of 26.27% in profit before tax despite an increase in overall operating expenses.

B 3 Prospects for financial year ending 31 December 2011

The average selling prices of ffb, crude palm oil and palm kernel for the second half of the financial year ending 31 December 2011 are expected to remain steady.

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 30.6.2011 RM'000	Six months 30.6.2011 RM'000
Income tax:		
Current provision	4,330	7,918
Deferred taxation	(51)	(102)
	<u>4,279</u>	<u>7,816</u>

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

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 2011.

Notes to the interim financial report - 30 June 2011

B 7 Quoted securities

(i) Purchases and sale of quoted securities

	Second financial quarter 30.6.2011 RM'000	Six months 30.6.2011 RM'000
Purchase consideration	276	4,387
Sale proceeds	-	-
Profit on sale	-	-

(ii) Investments in quoted securities as at 30 June 2011: -

	RM'000
At cost	32,147
At carrying value/book value	45,549
At market value	<u>45,549</u>

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	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
31.12.2009	1,060,000	2,542,000
31.12.2010	-	-
	<u>11,660,000</u>	<u>27,632,000</u>

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

B 9 Borrowings and debt securities

As at 30 June 2011, there were no borrowings and debt securities.

B 10 Derivatives financial instruments

There were no derivatives financial instruments transacted during the six months period ended 30 June 2011.

Notes to the interim financial report - 30 June 2011

B 11 Material litigation

There were no material litigations as at 31 December 2010 and at the date of issue of this interim financial report.

B 12 Dividends

(i) A first interim dividend of 18% or 18 sen per stock unit less 25% in respect of the financial year ending 31 December 2011 was paid on 30 June 2011.

(ii) No further interim dividend has been declared in respect of the six months ended 30 June 2011.

(iii) The total dividends for the current financial year ending 31 December 2011:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	%	%	%
First interim	18.00	25.00	13.50

(iv) The total dividends for the previous financial year ended 31 December 2010:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	%	%	%
First interim	15.00	25.00	11.25
Second interim	17.00	25.00	12.75
	32.00	25.00	24.00

B 13 Earnings per stock unit

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

	Second financial quarter		Six months	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
Profit attributable to owners of the parent (RM'000)	11,366	4,365	21,070	8,318
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	16.19	6.22	30.01	11.85
Diluted	16.19	6.22	30.01	11.85

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.

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(Incorporated in Malaysia)

Notes to the interim financial report - 30 June 2011

B 14 Realised and unrealised profit/losses disclosure

	As at 30.6.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	185,069	169,699
Unrealised	37,073	36,907
	<u>222,142</u>	<u>206,606</u>
Total share of retained profits from associates		
Realised profit	1,861	1,751
Unrealised loss	(74)	(43)
Total share of accumulated losses from a jointly controlled entity		
Realised	(3,504)	(3,113)
Unrealised	(97)	(95)
	<u>220,328</u>	<u>205,106</u>
Less: consolidation adjustments	(36,382)	(32,991)
Total Group retained profits as per consolidated accounts	<u>183,946</u>	<u>172,115</u>

B 15 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not qualified.

By Order of the Board

Gan Kok Tiong
Company Secretary
26 August 2011