

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

**Condensed consolidated income statement**  
**for the third financial quarter and nine months ended 30 September 2011**

	Third		Nine months	
	financial quarter		30 September	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Revenue	27,499	20,376	87,646	60,740
Cost of sales	(9,580)	(8,143)	(30,722)	(27,386)
Gross profit	17,919	12,233	56,924	33,354
Other income	1,182	939	4,075	2,173
Selling expenses	(416)	(363)	(1,025)	(988)
Administrative expenses	(3,279)	(3,128)	(9,880)	(8,248)
Replanting expenses	(1,076)	(561)	(2,486)	(2,285)
Other expenses	-	-	-	(883)
Share of results of associates	(727)	109	(644)	(37)
Share of results of a jointly controlled entity	(243)	(266)	(696)	(492)
Profit before tax	13,360	8,963	46,268	22,594
Income tax expense	(3,434)	(2,162)	(11,250)	(5,756)
Profit net of tax	9,926	6,801	35,018	16,838
Attributable to:				
Owners of the parent	8,059	5,934	29,129	14,252
Minority interests	1,867	867	5,889	2,586
	9,926	6,801	35,018	16,838
Earnings per stock unit attributable to owners of the parent				
Basic	11.48 sen	8.45 sen	41.49 sen	20.30 sen
Diluted	11.48 sen	8.45 sen	41.49 sen	20.30 sen

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

**Condensed consolidated statement of comprehensive income**  
**for the third financial quarter and nine months ended 30 September 2011**

	Third financial quarter		Nine months	
	30 September		30 September	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	9,926	6,801	35,018	16,838
Other comprehensive income:				
Foreign currency translation	181	904	1,726	(858)
Net (loss)/gain on fair value changes of available-for-sale financial assets	(5,328)	2,059	(5,066)	1,456
Share of other comprehensive income of an associate	(8)	-	(11)	-
Total comprehensive income for the period	<u>4,771</u>	<u>9,764</u>	<u>31,667</u>	<u>17,436</u>
Attributable to:				
Owners of the parent	4,207	8,362	26,893	14,811
Minority interests	564	1,402	4,774	2,625
	<u>4,771</u>	<u>9,764</u>	<u>31,667</u>	<u>17,436</u>

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

	<b>30.9.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	146,757	147,013
Biological assets	60,600	60,600
Investment in associates	19,368	19,507
Investment in a jointly controlled entity	23,428	22,914
Investment securities	40,394	40,901
	<u>290,547</u>	<u>290,935</u>
<b>Current assets</b>		
Inventories	1,988	1,461
Receivables	6,706	6,140
Income tax recoverable	-	1,279
Cash and bank balances	132,337	109,982
	<u>141,031</u>	<u>118,862</u>
<b>Total assets</b>	<u>431,578</u>	<u>409,797</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Payables	6,197	5,939
Income tax payable	1,209	965
	<u>7,406</u>	<u>6,904</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	25,813	25,967
<b>Total liabilities</b>	<u>33,219</u>	<u>32,871</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	70,202	70,202
Share premium	4,336	4,336
Retained profits	192,124	172,115
Other reserves	68,276	70,869
	<u>334,938</u>	<u>317,522</u>
<b>Minority interests</b>	63,421	59,404
<b>Total equity</b>	<u>398,359</u>	<u>376,926</u>
<b>Total equity and liabilities</b>	<u>431,578</u>	<u>409,797</u>
Net assets per stock unit attributable to owners of the parent	<u>RM4.77</u>	<u>RM4.52</u>

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

Condensed consolidated statement of changes in equity  
for the nine months ended 30 September 2011

	Attributable to owners of the parent									
	Equity attributable to owners of					Non-Distributable				
	Equity, total RM'000	the parent, total RM'000	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Asset revaluation reserve - lands RM'000	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Minority interests 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	17,436	14,811	-	-	14,252	-	(801)	1,360	2,625	
Revaluation reserve of leasehold land realised	-	-	-	-	358	(358)	-	-	-	
Dividends, representing total transaction with owners	(8,518)	(7,898)	-	-	(7,898)	-	-	-	(620)	
At 30 September 2010	372,206	313,930	70,202	4,336	169,550	59,079	1,612	9,151	58,276	
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	31,667	26,893	-	-	29,129	-	1,535	(3,771)	4,774	
Revaluation reserve of leasehold land realised	-	-	-	-	357	(357)	-	-	-	
Dividends, representing total transaction with owners	(10,234)	(9,477)	-	-	(9,477)	-	-	-	(757)	
At 30 September 2011	398,359	334,938	70,202	4,336	192,124	58,603	2,997	6,676	63,421	

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

**Condensed consolidated statement of cash flows**  
**for the nine months ended 30 September 2011**

	<b>30.9.2011</b>	<b>30.9.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit before tax	46,268	22,594
Adjustments	(767)	(1,031)
Operating cash flows before changes in working capital	45,501	21,563
Changes in working capital	(771)	(1,892)
Cash flows from operations	44,730	19,671
Taxes paid	(9,842)	(4,186)
Net cash flows from operating activities	<u>34,888</u>	<u>15,485</u>
<b>Investing activities</b>		
Property, plant and equipment	(1,289)	(1,582)
Investment securities	(4,559)	(9,395)
Interest received	1,685	1,283
Net dividends received	1,129	585
Net cash flows used in investing activities	<u>(3,034)</u>	<u>(9,109)</u>
<b>Financing activities</b>		
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>
<b>Net increase/(decrease) in cash and cash equivalents</b>	21,620	(2,142)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	735	895
<b>Cash and cash equivalents at beginning of period</b>	109,654	112,649
<b>Cash and cash equivalents at end of period</b>	<u>132,009</u>	<u>111,402</u>

**Notes to the interim financial report - 30 September 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 nine months ended 30 September 2011:

	Hectares			
Mature	6,393			
Replanting and immature	767			
	<u>7,160</u>			
	Third financial quarter		Nine months	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
Production (m/t)				
fresh fruit bunches				
Own estates	33,085	31,199	99,233	93,240
Purchase	4,030	3,908	13,767	13,813
	<u>37,115</u>	<u>35,107</u>	<u>113,000</u>	<u>107,053</u>
Crude palm oil	5,581	5,201	17,208	16,099
Palm kernel	1,457	1,438	4,633	4,363
	<u>5,581</u>	<u>5,201</u>	<u>17,208</u>	<u>16,099</u>
Extraction Rate				
Crude palm oil	19.76%	19.40%	19.34%	19.25%
Palm kernel	5.16%	5.36%	5.21%	5.22%
	<u>5.16%</u>	<u>5.36%</u>	<u>5.21%</u>	<u>5.22%</u>

**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 September 2011**

**A 5 Changes in debt and equity securities**

There were no issuances, repurchases and repayments of debts and equity securities for the nine months ended 30 September 2011.

**A 6 Fair value changes of financial liabilities**

As at 30 September 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 nine months ended 30 September 2011:

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

**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			
	Third financial quarter		Nine months	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	27,499	20,376	87,646	60,740
Revenue from major customers	21,908	15,692	65,970	52,857
Reportable segment profit	13,148	8,181	43,635	21,833

Reportable segment's profit are reconciled as follows:

Total profit for reportable segment	13,148	8,181	43,635	21,833
Share of results of associates	(727)	109	(644)	(37)
Share of results of a jointly controlled entity	(243)	(266)	(696)	(492)
Other income	1,182	939	3,973	2,173
Other operating expenses	-	-	-	(883)
Profit before tax	13,360	8,963	46,268	22,594

	30.9.2011	31.12.2010
	RM'000	RM'000
Reportable segment assets	220,513	214,999

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	220,513	214,999
Investments in associates	19,368	19,507
Investment in a jointly controlled entity	23,428	22,914
Investment securities	40,394	40,901
Unallocated assets	127,875	111,476
Total assets	431,578	409,797

Reportable segment liabilities	6,197	5,939
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Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	6,197	5,939
Income tax payable	1,209	965
Deferred tax liabilities	25,813	25,967
Total liabilities	33,219	32,871

**Notes to the interim financial report - 30 September 2011**

**A 9 Property, plant and equipment**

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

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

**A 10 Material events subsequent to third financial quarter**

Other than the declaration of the second interim dividend as disclosed in Note B12, there were no material events subsequent to the third financial quarter that have not been reflected in the financial statements for the financial quarter ended 30 September 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**

	Nine months 30.9.2011 RM'000
(a) Company in which certain directors and substantial shareholders have interests	
Agency fee	41
(b) Related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	16,730
Purchase of oil palm produce	383
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	133
(d) Person connected to certain directors	
Purchase of fertilisers	1,121
	As at 30.9.2011 RM'000
(e) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	2,309
(f) Included in payables are amounts due to: -	
Companies in which certain directors and substantial shareholders have interests	365



**Notes to the interim financial report - 30 September 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 third financial quarter and nine months period under review, revenue improved by 34.96% and 44.30% 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 production of ffb, crude palm oil and palm kernel were also higher.

The substantial improvement in revenue has resulted in an increase in the profit net of tax in the third financial quarter and nine months period under review by 45.95% and 107.97% respectively despite an increase in overall operating expenses.

**B 2 Material change in the profit before taxation for the third financial quarter compared with the immediate preceding quarter**

Revenue in the third financial quarter under review decreased by 14.47% when compared with the immediate preceding financial quarter due mainly to decreases in the average selling prices of ffb, crude palm oil and palm kernel and lower sales volume of crude palm oil.

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

Profit before tax reduced by 27.25% due mainly to the decrease in revenue.

**B 3 Prospects for financial year ending 31 December 2011**

Even though the average selling prices of ffb, crude palm oil and palm kernel for the fourth financial quarter are expected to be lower than those in the first nine months of the financial year ending 31 December 2011, however, the plantation profits for the fourth financial quarter would be expected to remain satisfactory. Overall, the plantation profits for the financial year ending 31 December 2011 would be substantially higher than that in the previous financial year.

**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**

	Third financial quarter 30.9.2011 RM'000	Nine months 30.9.2011 RM'000
Income tax:		
Current provision	3,487	11,405
Overprovision in prior year	(1)	(1)
	<hr/> 3,486	<hr/> 11,404
Deferred taxation	(52)	(154)
	<hr/> 3,434	<hr/> 11,250

The effective tax rate for the third financial quarter and nine 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 nine months ended 30 September 2011.

**Notes to the interim financial report - 30 September 2011**

**B 7 Quoted securities**

(i) Purchases and sale of quoted securities

	Third financial quarter 30.9.2011 RM'000	Nine months 30.9.2011 RM'000
Purchase consideration	172	4,559
Sale proceeds	-	-
Profit on sale	-	-

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

At cost	RM'000 32,319
At carrying value/book value	40,394
At market value	<u>40,394</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 nine months period under review and the period since the end of the third financial quarter under review to the date of issue of this interim report.

**B 9 Borrowings and debt securities**

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

**B 10 Derivatives financial instruments**

There were no derivatives financial instruments transacted during the nine months period ended 30 September 2011.

**Notes to the interim financial report - 30 September 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 second interim dividend in respect of the financial year ending 31 December 2011 has been declared by the Board of Directors.
- (ii) The amount per stock unit: 24% or 24 sen per stock unit less 25% taxation.
- (iii) The date payable for the second interim dividend of 24% or 24 sen per stock unit less 25% taxation: 30 December 2011.
- (iv) In respect of deposited securities, entitlement to the second interim dividend of 24% or 24 sen per stock unit less 25% taxation will be determined on the basis of the record of depositors as at 14 December 2011.

- (v) 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
Second interim	24.00	25.00	18.00
	<u>42.00</u>	<u>25.00</u>	<u>31.50</u>

- (vi) 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
	<u>32.00</u>	<u>25.00</u>	<u>24.00</u>

**B 13 Earnings per stock unit**

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

	Third financial quarter		Nine months	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
Profit attributable to owners of the parent (RM'000)	8,059	5,934	29,129	14,252
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	11.48	8.45	41.49	20.30
Diluted	11.48	8.45	41.49	20.30

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.

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

**Notes to the interim financial report - 30 September 2011**

**B 14 Realised and unrealised profit/losses disclosure**

	As at 30.9.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	196,391	169,699
Unrealised	36,799	36,907
	<u>233,190</u>	<u>206,606</u>
Total share of retained profits from associates		
Realised profit	1,864	1,751
Unrealised loss	(764)	(43)
Total share of accumulated losses from a jointly controlled entity		
Realised	(3,713)	(3,113)
Unrealised	(98)	(95)
	<u>230,479</u>	<u>205,106</u>
Less: consolidation adjustments	(38,355)	(32,991)
Total Group retained profits as per consolidated accounts	<u>192,124</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  
25 November 2011