

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

Condensed consolidated income statement
for the first financial quarter and three months ended 31 March 2013

	First financial quarter 31 March		Three months 31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	16,803	20,360	16,803	20,360
Cost of sales	(8,880)	(10,947)	(8,880)	(10,947)
Gross profit	7,923	9,413	7,923	9,413
Interest income	664	648	664	648
Dividend income	113	147	113	147
Other income	194	31	194	31
Selling expenses	(400)	(289)	(400)	(289)
Administrative expenses	(4,130)	(3,440)	(4,130)	(3,440)
Replanting expenses	(906)	(1,171)	(906)	(1,171)
Other expenses	(161)	(256)	(161)	(256)
Share of results of associates	88	584	88	584
Share of results of a jointly controlled entity	(303)	(288)	(303)	(288)
Profit before tax	3,082	5,379	3,082	5,379
Taxation	(686)	(1,188)	(686)	(1,188)
Profit net of tax	2,396	4,191	2,396	4,191
Attributable to:				
Owners of the parent	2,109	3,741	2,109	3,741
Non-controlling interest	287	450	287	450
	2,396	4,191	2,396	4,191
Earnings per stock unit attributable to owners of the parent (sen)				
Basic	3.00	5.33	3.00	5.33
Diluted	3.00	5.33	3.00	5.33

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

Condensed consolidated statement of comprehensive income
for the first financial quarter and three months ended 31 March 2013

	First financial quarter 31 March		Three months 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit net of tax	2,396	4,191	2,396	4,191
Other comprehensive income/(loss):				
Foreign currency translation	635	(58)	635	(58)
Net gain on fair value changes of available-for-sale financial assets	1,395	4,858	1,395	4,858
Share of other comprehensive income/(loss) of an associate	5	(1)	5	(1)
	<u>2,035</u>	<u>4,799</u>	<u>2,035</u>	<u>4,799</u>
Total comprehensive income for the period	<u>4,431</u>	<u>8,990</u>	<u>4,431</u>	<u>8,990</u>
Attributable to:				
Owners of the parent	3,710	7,195	3,710	7,195
Non-controlling interest	721	1,795	721	1,795
	<u>4,431</u>	<u>8,990</u>	<u>4,431</u>	<u>8,990</u>

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

Condensed consolidated statement of financial position
As at 31 March 2013

	31.3.2013	31.12.2012
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	218,074	218,051
Biological assets	38,800	38,800
Investments in associates	20,555	20,587
Investment in a jointly controlled entity	25,464	25,006
Investment securities	53,995	49,782
	<u>356,888</u>	<u>352,226</u>
Current assets		
Inventories	2,638	3,490
Receivables	4,588	4,502
Income tax recoverable	1,497	855
Cash and bank balances	126,271	129,903
	<u>134,994</u>	<u>138,750</u>
Total assets	<u>491,882</u>	<u>490,976</u>
Equity and liabilities		
Current liabilities		
Payables	5,466	8,655
Income tax payable	154	403
	<u>5,620</u>	<u>9,058</u>
Non-current liabilities		
Deferred tax liabilities	29,510	29,597
Total liabilities	<u>35,130</u>	<u>38,655</u>
Equity attributable to owners of the parent		
Share capital	70,202	70,202
Share premium	4,336	4,336
Retained profits	181,690	179,400
Other reserves	124,081	122,661
	<u>380,309</u>	<u>376,599</u>
Non-controlling interest	76,443	75,722
Total equity	<u>456,752</u>	<u>452,321</u>
Total equity and liabilities	<u>491,882</u>	<u>490,976</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>5.42</u>	<u>5.36</u>

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

Condensed consolidated statement of changes in equity
for the three months ended 31 March 2013

		Attributable to owners of the parent							
		Non-Distributable			Non-Distributable				
		Equity							
		attributable to owners of							
		the parent,							
		total							
Equity, total	Share capital	Share premium	Retained profits	Asset revaluation reserve - land	Foreign currency translation reserve	Fair value adjustment reserve	Non-interest		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2012	450,283	377,343	70,202	4,336	183,795	110,092	2,502	6,416	72,940
Total comprehensive income	8,990	7,195	-	-	3,741	-	(54)	3,508	1,796
Revaluation reserve of leasehold land realised	-	-	-	-	725	(725)	-	-	-
At 31 March 2012	459,273	384,538	70,202	4,336	188,261	109,367	2,448	9,924	74,735
At 1 January 2013	452,321	376,599	70,202	4,336	179,400	109,366	2,181	11,114	75,722
Total comprehensive income	4,431	3,710	-	-	2,109	-	541	1,060	721
Revaluation reserve of leasehold land realised	-	-	-	-	181	(181)	-	-	-
At 31 March 2013	456,752	380,309	70,202	4,336	181,690	109,185	2,722	12,174	76,443

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

Condensed consolidated statement of cash flows
for the three months ended 31 March 2013

	31.3.2013	31.3.2012
	RM'000	RM'000
Operating activities		
Profit before tax	3,082	5,379
Adjustments		
Depreciation of property, plant and equipment	829	725
Gross dividend income	(113)	(147)
Interest income	(664)	(648)
Net fair value gain on available-for-sale securities (transferred from equity on disposal)	(173)	-
Share of results of associates	(88)	(584)
Share of results of a jointly controlled entity	303	288
Unrealised loss on foreign exchange	165	263
Total adjustments	259	(103)
Operating cash flows before changes in working capital	3,341	5,276
Changes in working capital		
Decrease/(increase) in inventories	852	(70)
(Increase)/decrease in receivables	(50)	637
Decrease in payables	(3,189)	(342)
Total changes in working capital	(2,387)	225
Cash flows from operations	954	5,501
Taxes paid	(1,665)	(3,255)
Net cash flows (used in)/generated from operating activities	(711)	2,246
Investing activities		
Interest received	627	682
Net dividends received	113	147
Purchase of property, plant and equipment	(852)	(163)
Purchase of investment securities	(3,904)	(705)
Proceeds from sale of investment securities	1,260	-
Net cash flows used in investing activities	(2,756)	(39)
Net (decrease)/increase in cash and cash equivalents	(3,467)	2,207
Effects of exchange rate changes on cash and cash equivalents	(165)	(263)
Cash and cash equivalents at beginning of period	129,547	124,981
Cash and cash equivalents at end of period	125,915	126,925

Notes to the interim financial report - 31 March 2013

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 2012.

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 2012 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 2013. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial statements of the Group.

The Group has not adopted those new standards, amendments to standards and interpretations that have been issued but not yet effective. The directors expect that the adoption of those new standards, amendments to standards and interpretations will not have a material impact on the financial statements in the period of initial application.

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.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing Financial Reporting Standards (FRS) Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has commenced transitioning its accounting policies and financial reporting from the current Financial Reporting Standards to MFRS Framework. At the date of these interim financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ending 31 December 2013 could be different if prepared under the MFRS Framework.

Notes to the interim financial report - 31 March 2013

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 2013:

	Hectares			
Mature	6,088			
Replanting and immature	1,089			
	<u>7,177</u>			
	First financial quarter		Three months	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Production (m/t)				
fresh fruit bunches				
Own estates	27,514	26,289	27,514	26,289
Purchase	3,058	2,834	3,058	2,834
	<u>30,572</u>	<u>29,123</u>	<u>30,572</u>	<u>29,123</u>
Crude palm oil	4,502	4,163	4,502	4,163
Palm kernel	1,105	1,057	1,105	1,057
Extraction Rate				
Crude palm oil	19.11%	18.94%	19.11%	18.94%
Palm kernel	4.69%	4.81%	4.69%	4.81%

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 2013.

A 6 Fair value changes of financial liabilities

As at 31 March 2013, the Group did not have any financial liabilities measured at fair value through profit or loss.

Notes to the interim financial report - 31 March 2013

A 7 Dividends paid

No dividends were paid during the three months ended 31 March 2013.

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 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			
	First financial quarter		Three months	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	16,803	20,360	16,803	20,360
Revenue from major customers	10,000	15,729	10,000	15,729
Reportable segment profit	2,487	4,513	2,487	4,513

Reportable segment's profit are reconciled as follows:

Total profit for reportable segment	2,487	4,513	2,487	4,513
Share of results of associates	88	584	88	584
Share of results of a jointly controlled entity	(303)	(288)	(303)	(288)
Interest income	664	648	664	648
Dividend income	113	147	113	147
Other income	194	31	194	31
Other expenses	(161)	(256)	(161)	(256)
Profit before tax	3,082	5,379	3,082	5,379

	31.3.2013	31.12.2012
	RM'000	RM'000
Reportable segment assets	268,809	269,231

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	268,809	269,231
Investments in associates	20,555	20,587
Investment in a jointly controlled entity	25,464	25,006
Investment securities	53,995	49,782
Unallocated assets	123,059	126,370
Total assets	491,882	490,976

Reportable segment liabilities	5,466	8,655
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Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	5,466	8,655
Income tax payable	154	403
Deferred tax liabilities	29,510	29,597
Total liabilities	35,130	38,655

Notes to the interim financial report - 31 March 2013

A 9 Property, plant and equipment

There were no significant acquisitions and disposals of property, plant and equipment for the three months ended 31 March 2013.

Capital commitments as at 31 March 2013.

	RM'000
Approved and contracted for:	
Purchase of plant and machinery	<u>371</u>

A 10 Material events subsequent to first financial quarter

Other than the declaration of the first interim dividend as disclosed in Note B10, 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 2013.

A 11 Changes in composition of the Group

Other than the purchase and sale of quoted investments, 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 2012.

A 13 Related party disclosures

	Three months 31.3.2013 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Agency fee	14
Purchase of oil palm produce	<u>654</u>
(b) Related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	<u>3,096</u>
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	<u>44</u>
	As at 31.3.2013 RM'000
(e) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	<u>928</u>
(f) Included in payables are amounts due to: -	
Associate in which certain directors and substantial shareholders have interests	38
Company in which certain directors and substantial shareholders have interests	<u>16</u>

Notes to the interim financial report - 31 March 2013

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

First financial quarter and three months ended 31 March 2013

When compared with the previous corresponding financial quarter and three months period, revenue for the current financial quarter and three months period under review decreased by 17.47% to RM16,803,000 from RM20,360,000 and profit net of tax decreased by 42.83% to RM2,396,000 from RM4,191,000. These were due mainly to substantial decreases in the average selling prices of 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 tax for the first financial quarter compared with the immediate preceding quarter

When compared with the immediate preceding financial quarter, revenue in the first financial quarter under review decreased by 12.53% to RM16,803,000 from RM19,211,000 due mainly to decreases in the average selling prices of crude palm oil and palm kernel and sales volume of ffb, crude palm oil and palm kernel even though the average selling price of ffb was higher.

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

The Group recorded a profit before tax of RM3,082,000 in the first financial quarter as compared with a loss before tax of RM10,592,000 in the immediate preceding financial quarter. This was due mainly to an unfavourable adjustment of RM17,400,000 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.

- Excluding the adjustment in the fair value of biological assets, profit before tax in the current financial quarter decreased by 54.73% to RM3,082,000 from RM6,808,000 due mainly to decreases in the average selling prices of crude palm oil and palm kernel.

B 3 Prospects for financial year ending 31 December 2013

Since the end of the previous financial year, the selling prices of ffb, crude palm oil and palm kernel have weakened and should the selling prices remain weak, the financial performance for financial year 2013 will be affected.

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.

Notes to the interim financial report - 31 March 2013

B 5 Taxation

	First financial quarter 31.3.2013 RM'000	Three months 31.3.2013 RM'000
Current income tax	773	773
Deferred income tax	(87)	(87)
	<u>686</u>	<u>686</u>

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

B 6 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	-	-
31.12.2011	-	-
31.12.2012	-	-
	<u>11,660,000</u>	<u>27,632,000</u>

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

B 7 Borrowings and debt securities

As at 31 March 2013, there were no borrowings and debt securities.

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the three months period ended 31 March 2013.

B 9 Material litigation

There were no material litigations as at 31 December 2012 and at the date of issue of this interim financial report.

Notes to the interim financial report - 31 March 2013

B 10 Dividends

- (i) A first interim dividend in respect of the financial year ending 31 December 2013 has been declared by the Board of Directors.
- (ii) The amount per stock unit: 4%, single tier.
- (iii) The date payable for the first interim dividend of 4%, single tier: 28 June 2013.
- (iv) In respect of deposited securities, entitlement to the first interim dividend of 4%, single tier will be determined on the basis of the record of depositors as at 18 June 2013.
- (v) The total dividends for the current financial year ending 31 December 2013:-

<u>Type of dividend</u>	%
First interim, single tier	<u>4.00</u>

- (vi) The total dividends for the current financial year ended 31 December 2012:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	%	%	%
First interim	10.00	25.00	7.50
Special	5.00	25.00	3.75
Second interim	14.00	25.00	10.50
	<u>29.00</u>	<u>25.00</u>	<u>21.75</u>

B 11 Earnings per stock unit

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

	First financial quarter		Three months	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Profit attributable to owners of the parent (RM'000)	2,109	3,741	2,109	3,741
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	3.00	5.33	3.00	5.33
Diluted	3.00	5.33	3.00	5.33

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.

Notes to the interim financial report - 31 March 2013

B 12 Realised and unrealised profit/losses disclosure

	As at 31.3.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	198,875	195,779
Unrealised	22,408	22,642
	<u>221,283</u>	<u>218,421</u>
Total share of retained profits from associates		
Realised profits	2,062	1,809
Unrealised (losses)/profits	(64)	106
Total share of retained profits/(accumulated losses) from a jointly controlled entity		
Unrealised profits	7,056	7,091
Realised losses	(8,603)	(8,376)
	<u>221,734</u>	<u>219,051</u>
Less: consolidation adjustments	(40,044)	(39,651)
Total Group retained profits as per consolidated accounts	<u>181,690</u>	<u>179,400</u>

B 13 Notes to condensed statement of comprehensive income

	First financial quarter 31.3.2013 RM'000	Three months 31.3.2013 RM'000
Interest income	664	664
Other income including investment income	113	113
Interest expense	-	-
Depreciation	(829)	(829)
Provision for and write off of receivables	-	-
Gain on disposal of quoted investments	173	173
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	(161)	(161)
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

B 14 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2012 was not qualified.

By Order of the Board

Gan Kok Tiong
Company Secretary
31 May 2013