

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

Condensed consolidated income statement
for the second financial quarter and six months ended 30 June 2013

	Second financial quarter 30 June		Six months 30 June	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	16,236	22,871	33,039	43,231
Cost of sales	(9,521)	(10,993)	(18,401)	(21,940)
Gross profit	6,715	11,878	14,638	21,291
Interest income	674	700	1,338	1,348
Dividend income	682	660	795	807
Other income	215	728	248	503
Selling expenses	(350)	(354)	(750)	(643)
Administrative expenses	(4,345)	(4,272)	(8,475)	(7,712)
Replanting expenses	(1,251)	(1,408)	(2,157)	(2,579)
Share of results of associates	(247)	(171)	(159)	413
Share of results of a jointly controlled entity	(375)	(453)	(678)	(741)
Profit before tax	1,718	7,308	4,800	12,687
Income tax expense	(290)	(1,591)	(976)	(2,779)
Profit net of tax	1,428	5,717	3,824	9,908
Attributable to:				
Owners of the parent	1,097	4,649	3,206	8,390
Non-controlling interest	331	1,068	618	1,518
	1,428	5,717	3,824	9,908
Earnings per stock unit attributable to owners of the parent (sen)				
Basic	1.56	6.62	4.57	11.95
Diluted	1.56	6.62	4.57	11.95

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 2013

	Second financial quarter 30 June		Six months 30 June	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit net of tax	1,428	5,717	3,824	9,908
Other comprehensive income/(loss):				
Foreign currency translation	388	966	1,023	908
Net (loss)/gain on fair value changes of available-for-sale financial assets	(760)	(87)	635	4,771
Share of other comprehensive income/(loss) of an associate	(1)	(3)	4	(4)
	<u>(373)</u>	<u>876</u>	<u>1,662</u>	<u>5,675</u>
Total comprehensive income for the period	1,055	6,593	5,486	15,583
Attributable to:				
Owners of the parent	1,070	5,407	4,780	12,602
Non-controlling interest	(15)	1,186	706	2,981
	<u>1,055</u>	<u>6,593</u>	<u>5,486</u>	<u>15,583</u>

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

Condensed consolidated statement of financial position
As at 30 June 2013

	30.6.2013	31.12.2012
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	218,437	218,051
Biological assets	38,800	38,800
Investments in associates	20,447	20,587
Investment in a jointly controlled entity	25,336	25,006
Investment securities	54,349	49,782
	<u>357,369</u>	<u>352,226</u>
Current assets		
Inventories	2,245	3,490
Receivables	5,105	4,502
Income tax recoverable	2,647	855
Cash and bank balances	121,858	129,903
	<u>131,855</u>	<u>138,750</u>
Total assets	<u>489,224</u>	<u>490,976</u>
Equity and liabilities		
Current liabilities		
Payables	5,238	8,655
Income tax payable	-	403
	<u>5,238</u>	<u>9,058</u>
Non-current liabilities		
Deferred tax liabilities	29,422	29,597
Total liabilities	<u>34,660</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	180,160	179,400
Other reserves	123,873	122,661
	<u>378,571</u>	<u>376,599</u>
Non-controlling interest	75,993	75,722
Total equity	<u>454,564</u>	<u>452,321</u>
Total equity and liabilities	<u>489,224</u>	<u>490,976</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>5.39</u>	<u>5.36</u>

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

Condensed consolidated statement of changes in equity
for the six months ended 30 June 2013

		Attributable to owners of the parent									
		Equity attributable to owners of the parent					Non-Distributable				
	Equity, total RM'000	Equity, the parent, total RM'000	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Revaluation reserve - land RM'000	Asset revaluation reserve - land RM'000	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Non-controlling interest 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	15,583	12,602	-	-	8,390	-	817	3,395	2,981		
Revaluation reserve of leasehold land realised	-	-	-	-	364	(364)	-	-	-		
Dividends, representing total transaction with owners	(8,518)	(7,898)	-	-	(7,898)	-	-	-	(620)		
At 30 June 2012	457,348	382,047	70,202	4,336	184,651	109,728	3,319	9,811	75,301		
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	5,486	4,780	-	-	3,206	-	892	682	706		
Revaluation reserve of leasehold land realised	-	-	-	-	362	(362)	-	-	-		
Dividends, representing total transaction with owners	(3,243)	(2,808)	-	-	(2,808)	-	-	-	(435)		
At 30 June 2013	454,564	378,571	70,202	4,336	180,160	109,004	3,073	11,796	75,993		

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

Condensed consolidated statement of cash flows
for the six months ended 30 June 2013

	30.6.2013	30.6.2012
	RM'000	RM'000
Operating activities		
Profit before tax	4,800	12,687
Adjustments		
Depreciation of property, plant and equipment	1,689	1,469
Fair value decrease in biological assets	-	-
Gain on sale of property, plant and equipment	-	(6)
Gross dividend income	(795)	(807)
Interest income	(1,338)	(1,348)
Net fair value gain on available-for-sale securities (transferred from equity on disposal)	(173)	-
Property, plant and equipment written off	-	-
Share of results of associates	159	(413)
Share of results of a jointly controlled entity	678	741
Unrealised gain on foreign exchange	(38)	(407)
Total adjustments	182	(771)
Operating cash flows before changes in working capital	4,982	11,916
Changes in working capital		
Decrease/(increase) in inventories	1,245	(125)
Increase in receivables	(561)	(941)
Decrease in payables	(3,417)	(1,769)
Total changes in working capital	(2,733)	(2,835)
Cash flows from operations	2,249	9,081
Taxes paid	(3,330)	(5,705)
Net cash flows (used in)/generated from operating activities	(1,081)	3,376
Investing activities		
Interest received	1,296	1,320
Net dividends received	779	712
Purchase of property, plant and equipment	(2,075)	(1,790)
Purchase of investment securities	(5,019)	(919)
Proceeds from sale of property, plant and equipment	-	6
Proceeds from sale of investment securities	1,260	-
Net cash flows used in investing activities	(3,759)	(671)
Financing activities		
Dividends paid to owners of the parent	(2,808)	(7,898)
Dividends paid to non-controlling interest	(435)	(620)
Net cash flows used in financing activities	(3,243)	(8,518)
Net decrease in cash and cash equivalents	(8,083)	(5,813)
Effects of exchange rate changes on cash and cash equivalents	38	407
Cash and cash equivalents at beginning of period	129,547	124,981
Cash and cash equivalents at end of period	121,502	119,575

Notes to the interim financial report - 30 June 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 2015.

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 2015. 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 - 30 June 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 six months ended 30 June 2013:

	Hectares			
Mature	6,168			
Replanting and immature	1,011			
	<u>7,179</u>			
	Second financial quarter		Six months	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
Production (m/t)				
fresh fruit bunches				
Own estates	26,791	27,951	54,305	54,240
Purchase	3,757	3,460	6,815	6,294
	<u>30,548</u>	<u>31,411</u>	<u>61,120</u>	<u>60,534</u>
Crude palm oil	4,708	4,753	9,210	8,916
Palm kernel	1,292	1,305	2,397	2,362
Extraction Rate				
Crude palm oil	18.92%	18.81%	19.01%	18.87%
Palm kernel	5.19%	5.16%	4.95%	5.00%

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 2013.

A 6 Fair value changes of financial liabilities

As at 30 June 2013, the Group did not have any financial liabilities measured at fair value through profit or loss.

Notes to the interim financial report - 30 June 2013

A 7 Dividends paid

The amount of dividends paid during the six months ended 30 June 2013:

	RM'000
First interim dividend of single tier 4% in respect of financial year ending 31 December 2013 paid on 28 June 2013	<u>2,808</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 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	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	16,236	22,871	33,039	43,231
Revenue from major customers	11,728	13,219	22,472	28,948
Reportable segment profit	<u>769</u>	<u>5,844</u>	<u>3,256</u>	<u>10,357</u>

Reportable segment's profit are reconciled as follows:

Total profit for reportable segment	769	5,844	3,256	10,357
Share of results of associates	(247)	(171)	(159)	413
Share of results of a jointly controlled entity	(375)	(453)	(678)	(741)
Interest income	674	700	1,338	1,348
Dividend income	682	660	795	807
Other income	215	728	248	503
Profit before tax	<u>1,718</u>	<u>7,308</u>	<u>4,800</u>	<u>12,687</u>

	30.6.2013	31.12.2012
	RM'000	RM'000
Reportable segment assets	<u>269,439</u>	<u>269,231</u>

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	269,439	269,231
Investments in associates	20,447	20,587
Investment in a jointly controlled entity	25,336	25,006
Investment securities	54,349	49,782
Unallocated assets	119,653	126,370
Total assets	<u>489,224</u>	<u>490,976</u>
Reportable segment liabilities	<u>5,238</u>	<u>8,655</u>

Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	5,238	8,655
Income tax payable	-	403
Deferred tax liabilities	29,422	29,597
Total liabilities	<u>34,660</u>	<u>38,655</u>

Notes to the interim financial report - 30 June 2013

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 2013.

Capital commitments as at 30 June 2013.

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

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 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

	Six months 30.6.2013 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Agency fee	27
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>5,505</u>
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	<u>89</u>
	As at 30.6.2013 RM'000
(e) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	<u>897</u>
(f) Included in payables are amounts due to: -	
Company in which certain directors and substantial shareholders have interests	<u>36</u>

Notes to the interim financial report - 30 June 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

Revenue in the current financial quarter and six months period under review decreased by 29.01% to RM16,236,000 from RM22,871,000 and 23.58% to RM33,039,000 from RM43,231,000 respectively when compared with the previous corresponding financial quarter and six months period. These were due mainly to the 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 in the current financial quarter under review were lower. However, the production of ffb, crude palm oil and palm kernel in the six months period under review were higher.

The harvesting operations of newly matured fields in the oil palm plantation of the joint venture in Indonesia has been delayed due to the unrest in the villages neighbouring the estate.

Overall, profit net of tax in the current financial quarter and six months period under review decreased by 75.02% to RM1,428,000 from RM5,717,000 and 61.40% to RM3,824,000 from RM9,908,000 respectively due mainly to the substantial decreases in the average selling prices of ffb, crude palm oil and palm kernel.

B 2 Material change in the profit before tax for the second financial quarter compared with the immediate preceding quarter

When compared with the immediate preceding financial quarter, revenue in the second financial quarter under review decreased by 3.37% to RM16,236,000 from RM16,803,000 due mainly to decreases in the sales volume of ffb and crude palm oil even though the average selling prices of ffb, crude palm oil and palm kernel were marginally higher.

The production of ffb was lower. However, the purchase of ffb was higher. Overall the production of crude palm oil and palm kernel were higher.

Overall operating expenses were higher due mainly to an increase in fertiliser expenses as a result of active application of fertilisers and increase in replanting expenses.

The Group suffered an overall loss of RM247,000 in its share of results of associates due to loss suffered by an associate engaged in trading in stocks and shares as a result of market volatility.

Overall, profit before tax decreased by 44.26% to RM1,718,000 from RM3,082,000 due mainly to higher overall operating expenses and an overall loss in share of results of associate suffered by the Group.

B 3 Prospects for financial year ending 31 December 2013

The selling prices of ffb, crude palm oil and palm kernel are expected to remain weak in the second half of financial year ending 31 December 2013.

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 - 30 June 2013

B 5 Income tax expense

	Second financial quarter 30.6.2013 RM'000	Six months 30.6.2013 RM'000
Current income tax	378	1,151
Deferred income tax	(88)	(175)
	<u>290</u>	<u>976</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 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 six 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 30 June 2013, there were no borrowings and debt securities.

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the six months period ended 30 June 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 - 30 June 2013

B 10 Dividends

(i) A first interim dividend of single tier 4% in respect of the financial year ending 31 December 2013 was paid on 28 June 2013.

(ii) 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>

(iii) 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: -

	Second financial quarter		Six months	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
Profit attributable to owners of the parent (RM'000)	<u>1,097</u>	<u>4,649</u>	<u>3,206</u>	<u>8,390</u>
Weighted average number of stock units ('000)	<u>70,202</u>	<u>70,202</u>	<u>70,202</u>	<u>70,202</u>
Earnings per stock unit (sen)				
Basic	1.56	6.62	4.57	11.95
Diluted	<u>1.56</u>	<u>6.62</u>	<u>4.57</u>	<u>11.95</u>

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 - 30 June 2013

B 12 Realised and unrealised profit/losses disclosure

	As at 30.6.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	197,752	195,779
Unrealised	22,592	22,642
	<u>220,344</u>	<u>218,421</u>
Total share of retained profits from associates		
Realised profits	2,072	1,809
Unrealised (losses)/profits	(306)	106
Total share of retained profits/(accumulated losses) from a jointly controlled entity		
Unrealised profits	7,106	7,091
Realised losses	(8,983)	(8,376)
	<u>220,233</u>	<u>219,051</u>
Less: consolidation adjustments	(40,073)	(39,651)
Total Group retained profits as per consolidated accounts	<u>180,160</u>	<u>179,400</u>

B 13 Notes to condensed statement of comprehensive income

	Second financial quarter 30.6.2013 RM'000	Six months 30.6.2013 RM'000
Interest income	674	1,338
Other income including investment income	682	795
Interest expense	-	-
Depreciation	(860)	(1,689)
Provision for and write off of receivables	-	-
Gain on disposal of quoted investments	-	173
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	204	43
Gain/(loss) on derivatives	-	-
Exceptional items	-	-
	<u>-</u>	<u>-</u>

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
 30 August 2013