

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

Condensed consolidated income statement
for the third financial quarter and nine months ended 30 September 2013

	Third		Nine months	
	financial quarter		30 September	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	18,599	22,907	51,638	66,138
Cost of sales	(9,003)	(7,480)	(27,404)	(29,420)
Gross profit	9,596	15,427	24,234	36,718
Interest income	661	854	1,999	2,202
Dividend income	772	435	1,567	1,242
Other income	826	1,261	1,074	1,764
Selling expenses	(438)	(409)	(1,188)	(1,052)
Administrative expenses	(4,403)	(3,875)	(12,878)	(11,587)
Replanting expenses	(1,172)	(969)	(3,329)	(3,548)
Share of results of associates	397	255	238	668
Share of results of a jointly controlled entity	(221)	123	(899)	(618)
Profit before tax	6,018	13,102	10,818	25,789
Income tax expense	(898)	(2,685)	(1,874)	(5,464)
Profit net of tax	5,120	10,417	8,944	20,325
Attributable to:				
Owners of the parent	3,980	8,401	7,186	16,791
Non-controlling interest	1,140	2,016	1,758	3,534
	5,120	10,417	8,944	20,325
Earnings per stock unit attributable to owners of the parent (sen)				
Basic	5.67	11.97	10.24	23.92
Diluted	5.67	11.97	10.24	23.92

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 2013

	Third financial quarter 30 September		Nine months 30 September	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit net of tax	5,120	10,417	8,944	20,325
Other comprehensive income/(loss):				
Foreign currency translation	(228)	(281)	795	627
Net gain on fair value changes of available-for-sale financial assets	2,408	5,955	3,043	10,726
Share of other comprehensive income/(loss) of an associate	-	(2)	4	(6)
	<u>2,180</u>	<u>5,672</u>	<u>3,842</u>	<u>11,347</u>
Total comprehensive income for the period	<u>7,300</u>	<u>16,089</u>	<u>12,786</u>	<u>31,672</u>
Attributable to:				
Owners of the parent	5,543	12,296	10,323	24,898
Non-controlling interest	1,757	3,793	2,463	6,774
	<u>7,300</u>	<u>16,089</u>	<u>12,786</u>	<u>31,672</u>

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

Condensed consolidated statement of financial position
As at 30 September 2013

	30.9.2013	31.12.2012
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	218,961	218,051
Biological assets	38,800	38,800
Investments in associates	21,500	20,587
Investment in a jointly controlled entity	24,233	25,006
Investment securities	59,269	49,782
	<u>362,763</u>	<u>352,226</u>
Current assets		
Inventories	2,246	3,490
Receivables	5,041	4,502
Income tax recoverable	1,560	855
Cash and bank balances	126,113	129,903
	<u>134,960</u>	<u>138,750</u>
Total assets	<u>497,723</u>	<u>490,976</u>
Equity and liabilities		
Current liabilities		
Payables	6,524	8,655
Income tax payable	-	403
	<u>6,524</u>	<u>9,058</u>
Non-current liabilities		
Deferred tax liabilities	29,335	29,597
Total liabilities	<u>35,859</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	184,321	179,400
Other reserves	125,255	122,661
	<u>384,114</u>	<u>376,599</u>
Non-controlling interest	77,750	75,722
Total equity	<u>461,864</u>	<u>452,321</u>
Total equity and liabilities	<u>497,723</u>	<u>490,976</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>5.47</u>	<u>5.36</u>

Negri Sembilan Oil Palms Berhad (692D)
(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity
for the nine months ended 30 September 2013

		Attributable to owners of the parent									
		Equity attributable to owners of the parent					Non-Distributable				
		Non-Distributable		Distributable			Non-Distributable		Distributable		
	RM'000	Equity, total	Share capital	Share premium	Retained profits	Asset revaluation reserve - land	Foreign currency translation reserve	Fair value adjustment reserve	Non-controlling interest		
	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 2012	450,283	377,343	70,202	4,336	183,795	110,092	2,502	6,416	72,940		
Total comprehensive income	31,672	24,898	-	-	16,791	-	576	7,531	6,774		
Revaluation reserve of leasehold land realised	-	-	-	-	545	(545)	-	-	-		
Dividends, representing total transaction with owners	(8,518)	(7,898)	-	-	(7,898)	-	-	-	(620)		
At 30 September 2012	473,437	394,343	70,202	4,336	193,233	109,547	3,078	13,947	79,094		
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	12,786	10,323	-	-	7,186	-	742	2,395	2,463		
Revaluation reserve of leasehold land realised	-	-	-	-	543	(543)	-	-	-		
Dividends, representing total transaction with owners	(3,243)	(2,808)	-	-	(2,808)	-	-	-	(435)		
At 30 September 2013	461,864	384,114	70,202	4,336	184,321	108,823	2,923	13,509	77,750		

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

Condensed consolidated statement of cash flows
for the nine months ended 30 September 2013

	30.9.2013	30.9.2012
	RM'000	RM'000
Operating activities		
Profit before tax	10,818	25,789
Adjustments		
Depreciation of property, plant and equipment	2,563	2,219
Gain on sale of property, plant and equipment	-	(6)
Gross dividend income	(1,567)	(1,242)
Interest income	(1,999)	(2,202)
Net fair value gain on available-for-sale securities (transferred from equity on disposal)	(173)	(1,031)
Share of results of associates	(238)	(668)
Share of results of a jointly controlled entity	899	618
Unrealised gain on foreign exchange	(846)	(629)
Total adjustments	<u>(1,361)</u>	<u>(2,941)</u>
Operating cash flows before changes in working capital	9,457	22,848
Changes in working capital		
Decrease/(increase) in inventories	1,244	(580)
(Increase)/decrease in receivables	(519)	14
Decrease in payables	(2,131)	(1,652)
Total changes in working capital	<u>(1,406)</u>	<u>(2,218)</u>
Cash flows from operations	8,051	20,630
Taxes paid	(3,223)	(7,271)
Net cash flows from operating activities	<u>4,828</u>	<u>13,359</u>
Investing activities		
Interest received	1,979	1,948
Net dividends received	1,544	1,141
Purchase of property, plant and equipment	(3,473)	(2,588)
Purchase of investment securities	(7,531)	(1,765)
Proceeds from sale of property, plant and equipment	-	6
Proceeds from sale of investment securities	1,260	2,078
Net cash flows (used in)/from investing activities	<u>(6,221)</u>	<u>820</u>
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	<u>(3,243)</u>	<u>(8,518)</u>
Net (decrease)/increase in cash and cash equivalents	(4,636)	5,661
Effects of exchange rate changes on cash and cash equivalents	846	629
Cash and cash equivalents at beginning of period	129,547	124,981
Cash and cash equivalents at end of period	<u>125,757</u>	<u>131,271</u>

Notes to the interim financial report - 30 September 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 September 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 nine months ended 30 September 2013:

	Hectares			
Mature	6,192			
Replanting and immature	987			
	<u>7,179</u>			
	Third financial quarter		Nine months	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
Production (m/t)				
fresh fruit bunches				
Own estates	32,789	34,596	87,094	88,836
Purchase	4,362	2,805	11,177	9,099
	<u>37,151</u>	<u>37,401</u>	<u>98,271</u>	<u>97,935</u>
Crude palm oil	5,677	5,657	14,887	14,573
Palm kernel	1,586	1,546	3,983	3,908
Extraction Rate				
Crude palm oil	18.75%	18.96%	18.91%	18.91%
Palm kernel	5.24%	5.18%	5.06%	5.07%

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 nine months ended 30 September 2013.

A 6 Fair value changes of financial liabilities

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

Notes to the interim financial report - 30 September 2013

A 7 Dividends paid

The amount of dividends paid during the nine months ended 30 September 2013:

	RM'000
First interim dividend of single tier 4% in respect of financial year ending 31 December 2013 paid on 28 June 2013	2,808

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			
	Third financial quarter		Nine months	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	18,599	22,907	51,638	66,138
Revenue from major customers	15,400	16,283	37,906	45,231
Reportable segment profit	3,583	10,174	6,839	20,531

Reportable segment's profit are reconciled as follows:

Total profit for reportable segment	3,583	10,174	6,839	20,531
Share of results of associates	397	255	238	668
Share of results of a jointly controlled entity	(221)	123	(899)	(618)
Interest income	661	854	1,999	2,202
Dividend income	772	435	1,567	1,242
Other income	826	1,261	1,074	1,764
Profit before tax	6,018	13,102	10,818	25,789

	30.9.2013	31.12.2012
	RM'000	RM'000
Reportable segment assets	268,067	269,231

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	268,067	269,231
Investments in associates	21,500	20,587
Investment in a jointly controlled entity	24,233	25,006
Investment securities	59,269	49,782
Unallocated assets	124,654	126,370
Total assets	497,723	490,976

Reportable segment liabilities	6,524	8,655
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Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	6,524	8,655
Income tax payable	-	403
Deferred tax liabilities	29,335	29,597
Total liabilities	35,859	38,655

Notes to the interim financial report - 30 September 2013

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 2013.

Capital commitments as at 30 September 2013.

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

A 10 Material events subsequent to third financial quarter

Other than the declaration of the second interim dividend as disclosed in Note B10, 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 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

	Nine months 30.9.2013 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Agency fee	41
Purchase of oil palm produce	<u>889</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>133</u>
	As at 30.9.2013 RM'000
(d) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	<u>1,236</u>
(e) Included in payables are amounts due to: -	
Associate in which certain directors and substantial shareholders have interests	13
Company in which certain directors and substantial shareholders have interests	<u>50</u>

Notes to the interim financial report - 30 September 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 nine months period under review decreased by 18.81% to RM18,599,000 from RM22,907,000 and 21.92% to RM51,638,000 from RM66,138,000 respectively when compared with the preceding year corresponding financial quarter and nine 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 were lower. However, the purchase of ffb were higher. Overall, the production of crude palm oil and palm kernel were higher.

Harvesting 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. Commencement of harvesting is pending clearance by the relevant authorities.

Overall, profit net of tax in the current financial quarter and nine months period under review decreased by 50.85% to RM5,120,000 from RM10,417,000 and 56.00% to RM8,944,000 from RM20,325,000 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 third financial quarter compared with the immediate preceding quarter

When compared with the immediate preceding financial quarter, revenue in the current financial quarter under review increased by 14.55% to RM18,599,000 from RM16,236,000 due mainly to increases in the sales volume of ffb, crude palm oil and palm kernel and the average selling prices of ffb and palm kernel even though the average selling price of crude palm oil was lower.

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

Overall, profit before tax increased by 250.29% to RM6,018,000 from RM1,718,000 due mainly to improvement in revenue as mentioned above.

B 3 Prospects for financial year ending 31 December 2013

The selling prices of ffb, crude palm oil and palm kernel have improved since the end of the third financial quarter. However, the overall average selling prices of ffb, crude palm oil and palm kernel in the financial year ending 31 December 2013 would be lower than those in the preceding financial year.

The overall financial performance for the financial year ending 31 December 2013 are affected by the weak average selling prices of ffb, crude palm oil and palm kernel.

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 September 2013

B 5 Income tax expense

	Third financial quarter 30.9.2013 RM'000	Nine months 30.9.2013 RM'000
Current income tax	929	2,080
Under provision in prior year	56	56
	<u>985</u>	<u>2,136</u>
Deferred income tax	(87)	(262)
	<u>898</u>	<u>1,874</u>

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 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 nine 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 September 2013, there were no borrowings and debt securities.

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the nine months period ended 30 September 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 September 2013

B 10 Dividends

- (i) A second 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: 5% single tier.
- (iii) The date payable for the second interim dividend of 5% single tier: 31 December 2013.
- (iv) In respect of deposited securities, entitlement to the second interim dividend of 5% single tier will be determined on the basis of the record of depositors as at 17 December 2013.
- (v) The total dividends for the current financial year ending 31 December 2013:-

<u>Type of dividend</u>	%
First interim, single tier	4.00
Second interim, single tier	5.00
	<u>9.00</u>

- (vi) The total dividends for the 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: -

	Third financial quarter		Nine months	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
Profit attributable to owners of the parent (RM'000)	3,980	8,401	7,186	16,791
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	5.67	11.97	10.24	23.92
Diluted	5.67	11.97	10.24	23.92

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 September 2013

B 12 Realised and unrealised profit/losses disclosure

	As at 30.9.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	202,493	195,779
Unrealised	23,045	22,642
	<u>225,538</u>	<u>218,421</u>
Total share of retained profits from associates		
Realised	2,090	1,809
Unrealised	50	106
Total share of retained profits/(accumulated losses) from a jointly controlled entity		
Unrealised profits	7,341	7,091
Realised losses	(9,405)	(8,376)
	<u>225,614</u>	<u>219,051</u>
Less: consolidation adjustments	(41,293)	(39,651)
Total Group retained profits as per consolidated accounts	<u>184,321</u>	<u>179,400</u>

B 13 Notes to condensed statement of comprehensive income

	Third financial quarter 30.9.2013 RM'000	Nine months 30.9.2013 RM'000
Interest income	661	1,999
Other income including investment income	772	1,567
Interest expense	-	-
Depreciation	(874)	(2,563)
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)	803	846
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
 29 November 2013