

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

Condensed consolidated income statement
for the fourth financial quarter and twelve months ended 31 December 2010

	Fourth		Twelve months	
	financial quarter		31 December	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Revenue	25,872	21,148	86,612	79,336
Cost of sales	(10,735)	(8,398)	(38,121)	(37,443)
Gross profit	15,137	12,750	48,491	41,893
Other income	1,543	651	3,262	4,765
Fair value adjustment of biological assets	5,500	5,900	5,500	5,900
Selling expenses	(377)	(350)	(1,365)	(1,473)
Administrative expenses	(3,550)	(3,557)	(11,798)	(10,917)
Replanting expenses	(336)	(787)	(2,621)	(1,688)
Other expenses	-	(198)	(429)	-
Share of results of associates	63	(82)	26	341
Share of results of a jointly controlled entity	(410)	(782)	(902)	(2,052)
Profit before tax	17,570	13,545	40,164	36,769
Income tax expense	(4,488)	(3,653)	(10,244)	(8,984)
Profit net of tax	13,082	9,892	29,920	27,785
Attributable to:				
Owners of the parent	11,396	8,498	25,648	24,075
Minority interests	1,686	1,394	4,272	3,710
	13,082	9,892	29,920	27,785
Earnings per stock unit attributable to owners of the parent				
Basic	16.23 sen	12.11 sen	36.53 sen	34.29 sen
Diluted	16.23 sen	12.11 sen	36.53 sen	34.29 sen

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

Condensed consolidated statement of comprehensive income
for the fourth financial quarter and twelve months ended 31 December 2010

	Fourth		Twelve months	
	financial quarter		31 December	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	13,082	9,892	29,920	27,785
Other comprehensive income:				
Foreign currency translation	(204)	686	(1,062)	223
Net gain on fair value changes of available-for-sale financial assets	1,657	-	3,110	-
Share of other comprehensive income of an associate	(1)		2	
Total comprehensive income for the period	<u>14,534</u>	<u>10,578</u>	<u>31,970</u>	<u>28,008</u>
Attributable to:				
Owners of the parent	12,542	9,082	27,353	24,270
Minority interests	1,992	1,496	4,617	3,738
	<u>14,534</u>	<u>10,578</u>	<u>31,970</u>	<u>28,008</u>

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

Condensed consolidated statement of financial position
As at 31 December 2010

	31.12.2010	31.12.2009
	RM'000	Restated RM'000
Assets		
Non-current assets		
Property, plant and equipment	147,013	146,973
Biological assets	60,600	55,100
Investment in associates	19,507	19,844
Investment in a jointly controlled entity	22,914	24,495
Investment securities	40,901	15,965
	<u>290,935</u>	<u>262,377</u>
Current assets		
Inventories	1,461	2,612
Receivables	6,140	4,559
Income tax recoverable	1,279	2,058
Cash and bank balances	109,982	112,970
	<u>118,862</u>	<u>122,199</u>
Total assets	<u>409,797</u>	<u>384,576</u>
Equity and liabilities		
Current liabilities		
Payables	5,940	6,676
Income tax payable	965	-
	<u>6,905</u>	<u>6,676</u>
Non-current liabilities		
Deferred tax liabilities	<u>25,967</u>	<u>24,661</u>
Total liabilities	<u>32,872</u>	<u>31,337</u>
Equity attributable to owners of the parent		
Share capital	70,202	70,202
Share premium	4,336	4,336
Retained profits	172,114	162,838
Other reserves	70,870	61,850
	<u>317,522</u>	<u>299,226</u>
Minority interests	<u>59,403</u>	<u>54,013</u>
Total equity	<u>376,925</u>	<u>353,239</u>
Total equity and liabilities	<u>409,797</u>	<u>384,576</u>
Net assets per stock unit attributable to owners of the parent	<u>RM4.52</u>	<u>RM4.26</u>

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

Condensed consolidated statement of changes in equity
for the twelve months ended 31 December 2010

Attributable to owners of the parent											
Equity attributable to owners of											
to owners of											
Equity, the parent, total											
RM'000											
	Equity, total	RM'000	Share capital	Share premium	Retained profits	Asset revaluation reserve - lands	Foreign currency translation reserve	Fair value adjustment reserve	Minority interests	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2009	339,480	288,118	70,202	4,336	151,449	59,913	2,218	-	51,362	-	51,362
Total comprehensive income	28,008	24,270	-	-	24,075	-	195	-	3,738	-	3,738
Revaluation reserve of leasehold land realised	-	-	-	-	476	(476)	-	-	-	-	-
Transaction with owners	(14,249)	(13,162)	-	-	(13,162)	-	-	-	(1,087)	-	(1,087)
Dividends, representing total transaction with owners											
At 31 December 2009	353,239	299,226	70,202	4,336	162,838	59,437	2,413	-	54,013	-	54,013
At 1 January 2010	353,239	299,226	70,202	4,336	162,838	59,437	2,413	-	54,013	-	54,013
Effects of adopting FRS 139	10,049	7,791	-	-	-	-	-	7,791	2,258	-	2,258
Total comprehensive income	363,288	307,017	70,202	4,336	162,838	59,437	2,413	7,791	56,271	-	56,271
Revaluation reserve of leasehold land realised	31,970	27,353	-	-	25,648	-	(951)	2,656	4,617	-	4,617
Transaction with owners	-	-	-	-	476	(476)	-	-	-	-	-
Dividends, representing total transaction with owners	(18,333)	(16,848)	-	-	(16,848)	-	-	-	(1,485)	-	(1,485)
At 31 December 2010	376,925	317,522	70,202	4,336	172,114	58,961	1,462	10,447	59,403	-	59,403

Negri Sembilan Oil Palms Berhad (592D)
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Condensed consolidated statement of cash flows
for the twelve months ended 31 December 2010

	31.12.2010	31.12.2009
	RM'000	RM'000
Operating activities		
Profit before tax	40,164	36,769
Adjustments	(5,384)	(6,932)
Operating cash flows before changes in working capital	34,780	29,837
Changes in working capital	(1,093)	551
Cash flows from operations	33,687	30,388
Taxes paid	(7,141)	(7,047)
Net cash flows from operating activities	<u>26,546</u>	<u>23,341</u>
Investing activities		
Property, plant and equipment	(2,004)	(1,014)
Investment in an associate	-	(9,587)
Investment in a jointly controlled entity	-	(2,542)
Investment securities	(11,505)	5,978
Interest received	1,844	1,723
Net dividends received	893	1,005
Placement of fixed deposits pledged to banks	(7)	(27)
Net cash flows used in investing activities	<u>(10,779)</u>	<u>(4,464)</u>
Financing activities		
Dividends paid to owners of the parent	(16,848)	(13,162)
Dividends paid to minority interests	(1,485)	(1,087)
Net cash flows used in financing activities	<u>(18,333)</u>	<u>(14,249)</u>
Net (decrease)/increase in cash and cash equivalents	(2,566)	4,628
Effects of exchange rate changes on cash and cash equivalents	(429)	275
Cash and cash equivalents at beginning of period	112,649	107,746
Cash and cash equivalents at end of period	<u>109,654</u>	<u>112,649</u>

Notes to the interim financial report - 31 December 2010

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 2009.

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 2009 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 2010. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group except for FRS 139 : Financial Instruments, Recognition and Measurement, FRS 8 : Operating Segments, FRS 101 (Revised) : Presentation of Financial Statements, Amendment to FRS 117 : Leases and FRS 7 : Financial Instruments : Disclosures.

The principal changes in accounting policies and effects resulting from the adoption of the abovementioned FRSs and Amendment to FRS are discussed below.

(a) FRS 139 : Financial Instruments, Recognition and Measurement

FRS 139 sets out the requirements for the recognition and measurement of financial instruments.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at statement of financial position date reflects the designation of the financial instrument. The Group determines the classification at initial recognition and at each financial year end, the Group re-evaluate this designation except for those financial instruments measured at fair value through profit or loss.

(i) Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross proceeds receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised, impaired or through the amortisation process.

(ii) Available-for-sale financial assets

Prior to 1 January 2010, available-for-sale financial assets i.e non-current investments were stated at cost less impairment losses. Under FRS 139, available-for-sale financial assets is measured initially at fair value plus transactions costs and subsequent changes in fair value are recognised in equity until the investment is derecognised or impaired or at cost if the unquoted equity investment is not carried at fair value because its fair value cannot be measured reliably.

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss.

Notes to the interim financial report - 31 December 2010

A 1 Basis of preparation (cont'd.)

(iii) Held-to-maturity

Prior to 1 January 2010, held-to-maturity financial assets i.e non-derivative financial assets with fixed or determinable payments and fixed maturities were accounted for at cost less impairment losses. Under FRS 139, held-to-maturity financial assets is measured at fair value initially and subsequently at cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the investments are derecognised, impaired or through the amortisation process.

(iv) Fair value through profit or loss

Derivative financial instruments were not previously recognised in the financial statements on inception. These are now recognised and measured at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value with changes recognised in profit or loss at each reporting date.

(v) Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss and loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs. Subsequent measurement for financial liabilities at fair value through profit or loss are recognised in the income statement whereas for loans and borrowings are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised through amortisation process.

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and comparatives are not restated. All financial assets and financial liabilities are reclassified and remeasured as of 1 January 2010 and the related effects are adjusted against the opening retained profits and fair value reserves as appropriate. The effects of the changes are disclosed in Note A1(f).

(b) FRS 8 : Operating Segments

FRS 8 requires the disclosure of segment information based on the information reviewed by the Group's chief operating decision makers. This is a disclosure standard with no impact on the financial position or financial performance of the Group. Segment information is disclosed in Note A8. Comparatives have been restated.

(c) FRS 101 (Revised) : Presentation of Financial Statements

The new FRS 101 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. This is a disclosure standard with no impact on the financial position or financial performance of the Group. The Group has elected to present in two linked statements.

(d) FRS 7 : Financial Instruments : Disclosures

FRS 7 requires extensive disclosures of qualitative and quantitative information about exposure to risks from financial instruments. Such disclosures will be made in the audited annual financial statements of the Group.

(e) Amendment to FRS 117 : Leases

Leasehold land is classified as a finance lease if the Group has substantially all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease under prepaid land lease payments unless title is expected to pass to the lessee at the end of the lease term. Following the Amendment to FRS 117, the classification of leasehold land has been changed from operating to finance lease. The effect of the change is adjusted for retrospectively as disclosed in Note A1(f).

Notes to the interim financial report - 31 December 2010

A 1 Basis of preparation (cont'd.)

(f) Summary of effects of adopting new and revised FRSs:

Effects on consolidated statement of financial position as at 31 December 2010

	Increase/(decrease)		Total RM'000
	FRS 139 Note A1(a) RM'000	FRS 117 Note A1(e) RM'000	
Property, plant and equipment	-	64,835	64,835
Prepaid land lease payments	-	(64,835)	(64,835)
Investment in associates	21	-	21
Investment securities - available-for-sale financial assets	13,141	-	13,141
Minority interests	2,715	-	2,715
Fair value adjustment reserve	10,447	-	10,447

Effects on consolidated statement of comprehensive income and consolidated income statement for the financial year ended 31 December 2010

	Increase/(decrease)	
	FRS 139 Note A1(a) RM'000	FRS 117 Note A1(e) RM'000
Net gain on fair value changes of available-for-sale financial assets *	3,110	-
Share of other comprehensive income of an associate *	2	-
Depreciation #	-	991
Amortisation of prepaid land lease payments #	-	(991)

Effects on consolidated statement of comprehensive income and consolidated income statement for the fourth financial quarter ended 31 December 2010

	Increase/(decrease)	
	FRS 139 Note A1(a) RM'000	FRS 117 Note A1(e) RM'000
Net gain on fair value changes of available-for-sale financial assets *	1,657	-
Share of other comprehensive income of an associate *	(1)	-
Depreciation #	-	248
Amortisation of prepaid land lease payments #	-	(248)

* Being effects on statement of comprehensive income

Being effects on consolidated income statement

Effects on consolidated statement of financial position as at 1 January 2010

	FRS 139 Note A1(a) RM'000
Investment in associates	20
Investment securities - available-for-sale financial assets	10,029
Minority interests	2,258
Fair value adjustment reserve	7,791

(g) The following comparative amounts have been restated as a result of adopting FRSs

Effects on consolidated statement of financial position

	Increase/(decrease) RM'000
As at 31 December 2009	
Property, plant and equipment	65,826
Prepaid land lease payments	(65,826)
As at 1 January 2009	
Property, plant and equipment	66,817
Prepaid land lease payments	(66,817)

Notes to the interim financial report - 31 December 2010

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 twelve months ended 31 December 2010:

	Hectares			
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Mature	6,678			
Replanting and immature	482			
	<u>7,160</u>			
	Fourth financial quarter		Twelve months	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Production (m/t)				
fresh fruit bunches				
Own estates	33,735	41,763	126,975	150,110
Purchase	3,205	4,868	17,018	25,063
	<u>36,940</u>	<u>46,631</u>	<u>143,993</u>	<u>175,173</u>
Crude palm oil	4,732	5,926	20,831	24,874
Palm kernel	1,191	1,608	5,554	7,006
	<u>4,732</u>	<u>5,926</u>	<u>20,831</u>	<u>24,874</u>
Extraction Rate				
Crude palm oil	19.23%	18.80%	19.25%	18.75%
Palm kernel	4.84%	5.10%	5.13%	5.28%

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 twelve months ended 31 December 2010.

A 6 Fair value changes of financial liabilities

As at 31 December 2010, 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 twelve months ended 31 December 2010:

In respect of the financial year ended 31 December 2010:

First interim dividend of 15% or 15 sen per stock unit less 25% taxation paid on 30 June 2010	7,898
Second interim dividend of 17% or 17 sen per stock unit less 25% taxation paid on 31 December 2010	8,950
	<u>16,848</u>

Notes to the interim financial report - 31 December 2010

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			
	Fourth financial quarter		Twelve months	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	25,872	21,148	86,612	79,336
Revenue from major customers	22,449	19,730	75,306	63,607
Reportable segment profit	16,374	13,956	38,207	33,715

Reportable segment's profit are reconciled as follows:

Total profit for reportable segment	16,374	13,956	38,207	33,715
Share of results of associates	63	(82)	26	341
Share of results of a jointly controlled entity	(410)	(782)	(902)	(2,052)
Other income	1,543	453	3,262	4,765
Other operating expenses	-	-	(429)	-
Profit before tax	17,570	13,545	40,164	36,769

	31.12.2010	31.12.2009
	RM'000	RM'000
Reportable segment assets	214,999	209,244

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	214,999	209,244
Investments in associates	19,507	19,844
Investment in a jointly controlled entity	22,914	24,495
Investment securities	40,901	15,965
Unallocated assets	111,476	115,028
Total assets	409,797	384,576

Reportable segment liabilities	5,940	6,676
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Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	5,940	6,676
Income tax payable	965	-
Deferred tax liabilities	25,967	24,661
Total liabilities	32,872	31,337

A 9 Property, plant and equipment

There were no significant acquisitions and no disposals of property, plant and equipment for the twelve months ended 31 December 2010.

There were no commitments for the purchase of property, plant and equipment for the twelve months ended 31 December 2010.

Notes to the interim financial report - 31 December 2010

A 10 Material events subsequent to fourth financial quarter

There were no material events subsequent to the fourth financial quarter that have not been reflected in the financial statements for the financial quarter ended 31 December 2010.

A 11 Changes in composition of the Group

Other than the purchase and sale 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 2009.

A 13 Related party disclosures

	Twelve months 31.12.2010 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Purchase of oil palm produce	1,835
Purchase of fertilisers	19
Agency fee	55
	<hr/>
(b) Related corporation in which certain directors and substantial shareholders have	
Sale of oil palm produce	20,533
Purchase of oil palm produce	442
	<hr/>
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	177
	<hr/>
(d) Person connected to certain directors	
Purchase of fertilisers	1,859
	<hr/>
	As at 31.12.2010 RM'000
(e) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have	3,145
	<hr/>
(f) Included in payables are amounts due to: -	
Person connected to certain directors	321
Companies in which certain directors and substantial shareholders have interests	303
	<hr/>

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 financial quarter and twelve months period under review, the average selling prices of ffb, crude palm oil and palm kernel were substantially higher than those in the previous corresponding financial quarter and period. However, the production of ffb, crude palm oil and palm kernel were significantly lower resulting in reduced sales volume. Overall, revenue in the fourth financial quarter and twelve months period increased by 22.34% and 9.17% respectively.

The significant increase in revenue has resulted in a substantial improvement in the plantation profit.

Notes to the interim financial report - 31 December 2010

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

Profit before taxation in the fourth financial quarter increased by 96.03% when compared with the immediate preceding financial quarter due mainly to a favourable adjustment to the fair value of biological assets.

Excluding the adjustment in fair value of biological assets, profit before taxation increased by 34.66% due mainly to substantial increase in the average selling prices of ffb, crude palm oil and palm kernel.

B 3 Prospects for financial year ending 31 December 2011

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

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

	Fourth financial quarter 31.12.2010 RM'000	Twelve months 31.12.2010 RM'000
Income tax:		
Current provision	3,028	8,952
Overprovision in prior year	-	(14)
	<u>3,028</u>	<u>8,938</u>
Deferred taxation	1,460	1,306
	<u>4,488</u>	<u>10,244</u>

The effective tax rate for the fourth financial quarter and twelve months period under review is higher than the statutory rate due mainly to the effect of share of loss of a jointly controlled entity and an amount of unrealised loss in foreign exchange which is not deductible for income tax purpose.

B 6 Profits/(Losses) on sale of unquoted investments and/or properties

There were no sales of unquoted investments and properties for the twelve months ended 31 December 2010.

B 7 Quoted securities

(i) Purchases and sale of quoted securities

	Fourth Financial Quarter 31.12.2010 RM'000	Twelve months 31.12.2010 RM'000
Purchase consideration	381	11,796
Sale proceeds	2	2
Profit on sale	2	2
	<u>2</u>	<u>2</u>

(ii) Investments in quoted securities as at 31 December 2010: -

	RM'000
At cost	27,759
At carrying value/book value	40,901
At market value	<u>40,901</u>

Notes to the interim financial report - 31 December 2010

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
	<u>11,660,000</u>	<u>27,632,000</u>

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

B 9 Borrowings and debt securities

As at 31 December 2010, there were no borrowings and debt securities.

B 10 Derivatives financial instruments

There were no derivatives financial instruments transacted during the twelve months period ended 31 December 2010.

B 11 Material litigation

There were no material litigations as at 31 December 2009 and at the date of issue of this interim financial report.

B 12 Dividends

(i) A first interim dividend of 15% less 25% taxation and a second interim dividend of 17% less 25% taxation in respect of the financial year ended 31 December 2010 were paid on 30 June 2010 and 31 December 2010 respectively.

(ii) In view of the payment of the interim dividends, the directors do not recommend a final dividend in respect of the financial year ended 31 December 2010.

(iii) The total dividends for the current financial year ended 31 December 2010:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	<u>%</u>	<u>%</u>	<u>%</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>

(iv) The total dividends for the previous financial year ended 31 December 2009:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	<u>%</u>	<u>%</u>	<u>%</u>
First interim	10.00	25.00	7.50
Second interim	15.00	25.00	11.25
	<u>25.00</u>	<u>25.00</u>	<u>18.75</u>

Notes to the interim financial report - 31 December 2010

B 13 Earnings per stock unit

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

	Fourth Financial Quarter		Twelve Months	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Profit attributable to equity holders of the Company (RM'000)	11,396	8,498	25,648	24,075
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	16.23	12.11	36.53	34.29
Diluted	16.23	12.11	36.53	34.29

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.

B 14 Realised and unrealised profit/losses disclosure

	As at 31.12.2010 RM'000	As at 30.9.2010 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	169,699	168,967
Unrealised	36,906	33,870
	<u>206,605</u>	<u>202,837</u>
Total share of retained profits from associates		
Realised	1,751	1,554
Unrealised (loss)/profit	(43)	94
Total share of accumulated losses from a jointly controlled entity		
Realised	(3,113)	(2,821)
Unrealised loss	(95)	(32)
	<u>205,105</u>	<u>201,632</u>
Less: consolidation adjustments	(32,991)	(32,082)
Total Group retained profits as per consolidated accounts	<u>172,114</u>	<u>169,550</u>

B 14 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2009 was not qualified.

By Order of the Board

Gan Kok Tiong
 Company Secretary
 28 February 2011