

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

**Condensed consolidated income statement**  
**for the first financial quarter and three months ended 31 March 2011**

	First		Three months	
	financial quarter		31 March	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Revenue	27,996	19,206	27,996	19,206
Cost of sales	(10,170)	(8,806)	(10,170)	(8,806)
Gross profit	17,826	10,400	17,826	10,400
Other income	894	550	894	550
Selling expenses	(253)	(298)	(253)	(298)
Administrative expenses	(3,087)	(2,449)	(3,087)	(2,449)
Replanting expenses	(732)	(839)	(732)	(839)
Other expenses	-	(1,007)	-	(1,007)
Share of results of associates	110	14	110	14
Share of results of a jointly controlled entity	(214)	(109)	(214)	(109)
Profit before tax	14,544	6,262	14,544	6,262
Income tax expense	(3,537)	(1,796)	(3,537)	(1,796)
Profit net of tax	11,007	4,466	11,007	4,466
Attributable to:				
Owners of the parent	9,704	3,953	9,704	3,953
Minority interests	1,303	513	1,303	513
	11,007	4,466	11,007	4,466
Earnings per stock unit attributable to owners of the parent				
Basic	13.82 sen	5.63 sen	13.82 sen	5.63 sen
Diluted	13.82 sen	5.63 sen	13.82 sen	5.63 sen

**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 2011**

	<b>First</b>		<b>Three months</b>	
	<b>financial quarter</b>		<b>31 March</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit net of tax	11,007	4,466	11,007	4,466
Other comprehensive income:				
Foreign currency translation	666	(1,700)	666	(1,700)
Net (loss)/gain on fair value changes of available-for-sale financial assets	(283)	139	(283)	139
Share of other comprehensive income of an associate	1	-	1	-
Total comprehensive income for the period	<u>11,391</u>	<u>2,905</u>	<u>11,391</u>	<u>2,905</u>
Attributable to:				
Owners of the parent	10,097	2,585	10,097	2,585
Minority interests	1,294	320	1,294	320
	<u>11,391</u>	<u>2,905</u>	<u>11,391</u>	<u>2,905</u>

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

**Condensed consolidated statement of financial position**  
**As at 31 March 2011**

	<b>31.3.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	146,911	147,013
Biological assets	60,600	60,600
Investment in associates	19,696	19,507
Investment in a jointly controlled entity	23,288	22,914
Investment securities	44,729	40,901
	<u>295,224</u>	<u>290,935</u>
<b>Current assets</b>		
Inventories	1,906	1,461
Receivables	7,008	6,140
Income tax recoverable	660	1,279
Cash and bank balances	117,945	109,982
	<u>127,519</u>	<u>118,862</u>
<b>Total assets</b>	<u>422,743</u>	<u>409,797</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Payables	6,871	5,939
Income tax payable	1,639	965
	<u>8,510</u>	<u>6,904</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	25,916	25,967
<b>Total liabilities</b>	<u>34,426</u>	<u>32,871</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	70,202	70,202
Share premium	4,336	4,336
Retained profits	181,938	172,115
Other reserves	71,143	70,869
	<u>327,619</u>	<u>317,522</u>
<b>Minority interests</b>	60,698	59,404
<b>Total equity</b>	<u>388,317</u>	<u>376,926</u>
<b>Total equity and liabilities</b>	<u>422,743</u>	<u>409,797</u>
Net assets per stock unit attributable to owners of the parent	<u>RM4.67</u>	<u>RM4.52</u>

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

Condensed consolidated statement of changes in equity  
for the three months ended 31 March 2011

		Attributable to owners of the parent															
		Non-Distributable				Distributable											
		Equity attributable to owners of the parent, total		Share capital		Share premium		Retained profits		Asset revaluation reserve - lands		Foreign currency translation reserve		Fair value adjustment reserve		Minority interests	
Equity, total	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	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	363,288	307,017	70,202	4,336	162,838	59,437	2,413	7,791	56,271								
Total comprehensive income	2,905	2,585	-	-	3,953	-	(1,686)	318	320								
Revaluation reserve of leasehold land realised	-	-	-	-	119	(119)	-	-	-								
At 31 March 2010	366,193	309,602	70,202	4,336	166,910	59,318	727	8,109	56,591								
At 1 January 2011	376,926	317,522	70,202	4,336	172,115	58,960	1,462	10,447	59,404								
Total comprehensive income	11,391	10,097	-	-	9,704	-	582	(189)	1,294								
Revaluation reserve of leasehold land realised	-	-	-	-	119	(119)	-	-	-								
At 31 March 2011	388,317	327,619	70,202	4,336	181,938	58,841	2,044	10,258	60,698								

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

**Condensed consolidated statement of cash flows**  
**for the three months ended 31 March 2011**

	<b>31.3.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit before tax	14,544	6,262
Adjustments	174	(981)
Operating cash flows before changes in working capital	<u>14,718</u>	<u>5,281</u>
Changes in working capital	(403)	611
Cash flows from operations	<u>14,315</u>	<u>5,892</u>
Taxes paid	(2,289)	(982)
Net cash flows from operating activities	<u>12,026</u>	<u>4,910</u>
<b>Investing activities</b>		
Property, plant and equipment	(414)	(717)
Investment securities	(4,111)	(822)
Interest received	510	335
Net dividends received	97	138
Net cash flows used in investing activities	<u>(3,918)</u>	<u>(1,066)</u>
<b>Net increase in cash and cash equivalents</b>	<b>8,108</b>	<b>3,844</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(145)</b>	<b>1,019</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>109,654</b>	<b>112,649</b>
<b>Cash and cash equivalents at end of period</b>	<u><b>117,617</b></u>	<u><b>117,512</b></u>

**Notes to the interim financial report - 31 March 2011**

**A Explanatory notes - FRS 134 : Interim Financial Reporting**

**A 1 Basis of preparation**

The interim financial report has been prepared in accordance with FRS 134 : Interim Financial Reporting and Chapter 9 Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report is unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the financial year ended 31 December 2010 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2011. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial statements of the Group.

The extensive disclosures of qualitative and quantitative information about exposures to risks from financial instruments as required by FRS 7 will be made in the audited annual financial statements of the Group.

**A 2 Seasonal or cyclical nature of operations**

The revenue and earnings are impacted by the production of fresh fruit bunches and volatility of the selling prices of fresh fruit bunches, crude palm oil and palm kernel.

The production of fresh fruit bunches depends on weather conditions, production cycle of the palms and the age of the palms.

The plantation statistics are as follows:

Average planted area for twelve months ended 31 March 2011:

	Hectares			
Mature	6,517			
Replanting and immature	643			
	<u>7,160</u>			
	First financial quarter		Three months	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Production (m/t)				
fresh fruit bunches				
Own estates	31,970	31,630	31,970	31,630
Purchase	4,681	4,607	4,681	4,607
	<u>36,651</u>	<u>36,237</u>	<u>36,651</u>	<u>36,237</u>
Crude palm oil	5,276	5,226	5,276	5,226
Palm kernel	1,485	1,353	1,485	1,353
Extraction Rate				
Crude palm oil	18.57%	19.35%	18.57%	19.35%
Palm kernel	4.23%	5.01%	4.23%	5.01%

**A 3 Items of unusual nature**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period.

**A 4 Changes in estimates of amounts reported**

There were no changes in estimates of amounts reported in prior financial years and prior interim periods that have a material effect in the current interim period.

**Notes to the interim financial report - 31 March 2011**

**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 2011.

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

As at 31 March 2011, the Group did not have any financial liabilities measured at fair value through profit or loss.

**A 7 Dividends paid**

No dividend was paid during the three months ended 31 March 2011.

**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			
	First financial quarter		Three months	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	27,996	19,206	27,996	19,206
Revenue from major customers	22,179	16,781	22,179	16,781
Reportable segment profit	13,856	6,814	13,856	6,814
Reportable segment's profit are reconciled as follows:				
Total profit for reportable segment	13,856	6,814	13,856	6,814
Share of results of associates	110	14	110	14
Share of results of a jointly controlled entity	(214)	(109)	(214)	(109)
Other income	792	550	792	550
Other operating expenses	-	(1,007)	-	(1,007)
Profit before tax	14,544	6,262	14,544	6,262
	31.3.2011	31.12.2010		
	RM'000	RM'000		
Reportable segment assets	220,305	214,999		
Reportable segment's assets are reconciled as follows:				
Total assets for reportable segment	220,305	214,999		
Investments in associates	19,696	19,507		
Investment in a jointly controlled entity	23,288	22,914		
Investment securities	44,729	40,901		
Unallocated assets	114,725	111,476		
Total assets	422,743	409,797		
Reportable segment liabilities	6,871	5,939		
Reportable segment's liabilities are reconciled as follows:				
Total liabilities for reportable segment	6,871	5,939		
Income tax payable	1,639	965		
Deferred tax liabilities	25,916	25,967		
Total liabilities	34,426	32,871		

**Notes to the interim financial report - 31 March 2011**

**A 9 Property, plant and equipment**

There were no significant acquisitions and no disposals of property, plant and equipment for the three months ended 31 March 2011.

There were no commitments for the purchase of property, plant and equipment for the three months ended 31 March 2011.

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

Other than the declaration of the first interim dividend as disclosed in Note B12, 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 2011.

**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 2010.

**A 13 Related party disclosures**

	Three months 31.3.2011 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Agency fee	<u>14</u>
(b) Related corporation in which certain directors and substantial shareholders have	
Sale of oil palm produce	<u>6,390</u>
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	<u>44</u>
(d) Person connected to certain directors	
Purchase of fertilisers	<u>59</u>
	As at 31.3.2011 RM'000
(e) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have	<u>1,861</u>
(f) Included in payables are amounts due to: -	
Person connected to certain directors	31
Companies in which certain directors and substantial shareholders have interests	<u>22</u>



**Notes to the interim financial report - 31 March 2011**

**B Information as required by the Main Market Listing Requirements (Part A of Appendix 9B) of Bursa Malaysia Securities Berhad**

**B 1 Review of performance**

During the financial quarter and three months period under review, revenue and profit net of tax improved by 45.77% and 146.46% respectively when compared with the previous corresponding financial quarter and period due mainly to substantial increase in the average selling prices of ffb, crude palm oil and palm kernel.

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

Revenue in the first financial quarter under review improved by 8.21% when compared with the immediate preceding financial quarter due mainly to substantial increase in the average selling prices of ffb, crude palm oil and palm kernel.

Profit before taxation decreased by 17.22%. This was due mainly to the favourable adjustment of RM5,500,000 representing the increase 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 taxation increased by 20.50% due mainly to improvement in revenue.

**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 steady 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**

	First financial quarter 31.3.2011 RM'000	Three months 31.3.2011 RM'000
Income tax:		
Current provision	3,588	3,588
Deferred taxation	(51)	(51)
	<u>3,537</u>	<u>3,537</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 Profits/(Losses) on sale of unquoted investments and/or properties**

There were no sales of unquoted investments and properties for the three months ended 31 March 2011.

**Notes to the interim financial report - 31 March 2011**

**B 7 Quoted securities**

(i) Purchases and sale of quoted securities

	First financial quarter 31.3.2011 RM'000	Three months 31.3.2011 RM'000
Purchase consideration	4,111	4,111
Sale proceeds	-	-
Profit on sale	-	-

(ii) Investments in quoted securities as at 31 March 2011: -

	RM'000
At cost	31,870
At carrying value/book value	44,729
At market value	44,729

**B 8 Status of corporate proposals**

On 10 April 2006, the Company entered into a conditional joint venture and shareholders agreement with Timor Oil Palm Plantation Berhad, a 58.0% owned subsidiary of the Company, Eng Thye Plantations Berhad, an 83.3% owned subsidiary of the Company, Seong Thye Plantations Sdn Bhd, Chin Teck Plantations Berhad and Chin Thye Investment Pte Ltd ('Singapore JVSA') to participate in a joint venture project for the development of an oil palm plantation in Indonesia with P.T. Lampung Karya Indah. ('Proposed Joint Venture'), the details of which are set out in the Circular to Shareholders dated 11 May 2006.

The approval of the Shareholders of the Company was obtained at the Extraordinary General Meeting of the Company held on 26 May 2006.

The conditions precedent as set out in the Singapore JVSA have been fulfilled and the necessary approvals required for the subscription of shares in Chin Thye Investment Pte Ltd have been obtained.

The subscriptions of shares by the Group in Chin Thye Investment Pte Ltd in the previous financial years are as follows:-

Financial year	No. of shares	Amount (RM)
31.12.2006	7,200,000	16,950,000
31.12.2007	-	-
31.12.2008	3,400,000	8,140,000
31.12.2009	1,060,000	2,542,000
31.12.2010	-	-
	<u>11,660,000</u>	<u>27,632,000</u>

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

**B 9 Borrowings and debt securities**

As at 31 March 2011, there were no borrowings and debt securities.

**B 10 Derivatives financial instruments**

There were no derivatives financial instruments transacted during the three months period ended 31 March 2011.

**Notes to the interim financial report - 31 March 2011**

**B 11 Material litigation**

There were no material litigations as at 31 December 2010 and at the date of issue of this interim financial report.

**B 12 Dividends**

- (i) A first interim dividend in respect of the financial year ending 31 December 2011 has been declared by the Board of Directors.
- (ii) The amount per stock unit: 18% or 18 sen per stock unit less 25% taxation.
- (iii) The date payable for the first interim dividend of 18% or 18 sen per stock unit less 25% taxation: 30 June 2011.
- (iv) In respect of deposited securities, entitlement to the first interim dividend of 18% or 18 sen per stock unit less 25% taxation will be determined on the basis of the record of depositors as at 14 June 2011.

(v) The total dividends for the current financial year ending 31 December 2011:-

Type of dividend	Gross	Tax	Net
	%	%	%
First interim	18.00	25.00	13.50

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

Type of dividend	Gross	Tax	Net
	%	%	%
First interim	15.00	25.00	11.25
Second interim	17.00	25.00	12.75
	32.00	25.00	24.00

**B 13 Earnings per stock unit**

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

	First financial quarter		Three months	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Profit attributable to equity holders of the Company (RM'000)	9,704	3,953	9,704	3,953
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	13.82	5.63	13.82	5.63
Diluted	13.82	5.63	13.82	5.63

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 2011**

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

	As at 31.3.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	181,660	169,699
Unrealised	36,210	36,907
	<u>217,870</u>	<u>206,606</u>
Total share of retained profits from associates		
Realised	1,769	1,751
Unrealised profit/(loss)	45	(43)
Total share of accumulated losses from a jointly controlled entity		
Realised	(3,298)	(3,113)
Unrealised loss	(96)	(95)
	<u>216,290</u>	<u>205,106</u>
Less: consolidation adjustments	(34,352)	(32,991)
Total Group retained profits as per consolidated accounts	<u>181,938</u>	<u>172,115</u>

**B 14 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not qualified.

By Order of the Board

Gan Kok Tiong  
Company Secretary  
27 May 2011