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

**Condensed consolidated income statement**
**for the fourth financial quarter and twelve months ended 31 December 2011**

| | Fourth financial quarter 31 December | | Twelve months 31 December | |
|---|---|---|---|---|
| | **2011** | **2010** | **2011** | **2010** |
| | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| Revenue | 25,519 | 25,872 | 113,165 | 86,612 |
| Cost of sales | (10,101) | (10,735) | (40,823) | (38,121) |
| Gross profit | 15,418 | 15,137 | 72,342 | 48,491 |
| Interest income | 774 | 601 | 2,524 | 1,917 |
| Dividend income | 875 | 438 | 2,042 | 1,236 |
| Other income | 50 | 504 | 1,045 | 109 |
| Fair value adjustment of biological assets | (4,400) | 5,500 | (4,400) | 5,500 |
| Selling expenses | (360) | (377) | (1,385) | (1,365) |
| Administrative expenses | (4,774) | (3,550) | (14,654) | (11,798) |
| Replanting expenses | (746) | (336) | (3,232) | (2,621) |
| Other expenses | (357) | - | (194) | (429) |
| Share of results of associates | 33 | 63 | (611) | 26 |
| Share of results of a jointly controlled entity | 1,460 | (410) | 764 | (902) |
| Profit before tax | 7,973 | 17,570 | 54,241 | 40,164 |
| Income tax expense | (1,837) | (4,488) | (13,087) | (10,244) |
| Profit net of tax | 6,136 | 13,082 | 41,154 | 29,920 |
| | | | | |
| Attributable to: | | | | |
| Owners of the parent | 4,189 | 11,396 | 33,318 | 25,648 |
| Non-controlling interest | 1,947 | 1,686 | 7,836 | 4,272 |
| | 6,136 | 13,082 | 41,154 | 29,920 |
| | | | | |
| Earnings per stock unit attributable to owners of the parent (sen) | | | | |
| Basic | 5.97 | 16.23 | 47.46 | 36.53 |
| Diluted | 5.97 | 16.23 | 47.46 | 36.53 |

**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 2011**

| | Fourth financial quarter 31 December | | Twelve months 31 December | |
|---|---|---|---|---|
| | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| Profit net of tax | 6,136 | 13,082 | 41,154 | 29,920 |
| Other comprehensive income: | | | | |
| Foreign currency translation | (560) | (204) | 1,166 | (1,062) |
| Net (loss)/gain on fair value changes of available-for-sale financial assets | (590) | 1,657 | (5,656) | 3,110 |
| Revaluation surplus of freehold and leasehold lands | 61,042 | - | 61,042 | - |
| Share of other comprehensive income of an associate | (3) | (1) | (14) | 2 |
| Total comprehensive income for the period | 66,025 | 14,534 | 97,692 | 31,970 |
| | | | | |
| Attributable to: | | | | |
| Owners of the parent | 55,042 | 12,542 | 81,935 | 27,353 |
| Non-controlling interest | 10,983 | 1,992 | 15,757 | 4,617 |
| | 66,025 | 14,534 | 97,692 | 31,970 |

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

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

| | 31.12.2011 RM'000 | 31.12.2010 RM'000 |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 217,013 | 147,013 |
| Biological assets | 56,200 | 60,600 |
| Investment in associates | 19,284 | 19,507 |
| Investment in a jointly controlled entity | 24,443 | 22,914 |
| Investment securities | 41,088 | 40,901 |
| | 358,028 | 290,935 |
| **Current assets** | | |
| Inventories | 2,298 | 1,461 |
| Receivables | 5,196 | 6,140 |
| Income tax recoverable | 1,176 | 1,279 |
| Cash and bank balances | 125,325 | 109,982 |
| | 133,995 | 118,862 |
| **Total assets** | 492,023 | 409,797 |
| **Equity and liabilities** | | |
| **Current liabilities** | | |
| Payables | 7,072 | 5,939 |
| Income tax payable | 395 | 965 |
| | 7,467 | 6,904 |
| **Non-current liabilities** | | |
| Deferred tax liabilities | 34,273 | 25,967 |
| **Total liabilities** | 41,740 | 32,871 |
| **Equity attributable to owners of the parent** | | |
| Share capital | 70,202 | 70,202 |
| Share premium | 4,336 | 4,336 |
| Retained profits | 183,794 | 172,115 |
| Other reserves | 119,011 | 70,869 |
| | 377,343 | 317,522 |
| **Non-controlling interest** | 72,940 | 59,404 |
| **Total equity** | 450,283 | 376,926 |
| **Total equity and liabilities** | 492,023 | 409,797 |
| Net assets per stock unit attributable to owners of the parent (RM) | 5.38 | 4.52 |

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

**Condensed consolidated statement of changes in equity for the twelve months ended 31 December 2011**

| | | | Attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Non-Distributable | | Distributable | Non-Distributable | | | |
| | Equity, total RM'000 | Equity attributable to owners of the parent, total RM'000 | Share capital RM'000 | Share premium RM'000 | Retained profits RM'000 | Asset revaluation reserve - lands RM'000 | Foreign currency translation reserve RM'000 | Fair value adjustment reserve RM'000 | Non-controlling interest 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 | 31,970 | 27,353 | - | - | 25,648 | - | (951) | 2,656 | 4,617 |
| Revaluation reserve of leasehold land realised | - | - | - | - | 476 | (476) | - | - | - |
| Dividends, representing total transaction with owners | (18,333) | (16,848) | - | - | (16,848) | - | - | - | (1,485) |
| At 31 December 2010 | 376,925 | 317,522 | 70,202 | 4,336 | 172,114 | 58,961 | 1,462 | 10,447 | 59,403 |
| At 1 January 2011 | 376,926 | 317,522 | 70,202 | 4,336 | 172,114 | 58,961 | 1,462 | 10,447 | 59,404 |
| Total comprehensive income | 97,692 | 81,935 | - | - | 33,318 | 51,608 | 1,040 | (4,031) | 15,757 |
| Revaluation reserve of leasehold land realised | - | - | - | - | 476 | (476) | - | - | - |
| Dividends, representing total transaction with owners | (24,335) | (22,114) | - | - | (22,114) | - | - | - | (2,221) |
| At 31 December 2011 | 450,283 | 377,343 | 70,202 | 4,336 | 183,794 | 110,093 | 2,502 | 6,416 | 72,940 |

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

**Condensed consolidated statement of cash flows for the twelve months ended 31 December 2011**

| | 31.12.2011 RM'000 | 31.12.2010 RM'000 |
|---|---|---|
| **Operating activities** | | |
| Profit before tax | 54,241 | 40,164 |
| Adjustments | | |
| Depreciation of property, plant and equipment | 2,204 | 1,978 |
| Fair value decrease/(increase) in biological assets | 4,400 | (5,500) |
| Gain on sale of property, plant and equipment | (100) | (14) |
| Gross dividend income | (2,042) | (1,236) |
| Interest income | (2,524) | (1,917) |
| Loss on sale of investment securities | 193 | - |
| Property, plant and equipment written off | 1 | - |
| Share of results of associates | 611 | (26) |
| Share of results of a jointly controlled entity | (764) | 902 |
| Unrealised (gain)/loss on foreign exchange | (588) | 429 |
| Total adjustments | 1,391 | (5,384) |
| Operating cash flows before changes in working capital | 55,632 | 34,780 |
| Changes in working capital | | |
| (Increase)/decrease in inventories | (837) | 1,151 |
| Decrease/(increase) in receivables | 977 | (1,508) |
| Increase/(decrease) in payables | 1,133 | (736) |
| Total changes in working capital | 1,273 | (1,093) |
| Cash flows from operations | 56,905 | 33,687 |
| Taxes paid | (14,698) | (7,141) |
| Net cash flows from operating activities | 42,207 | 26,546 |
| **Investing activities** | | |
| Interest received | 2,490 | 1,844 |
| Net dividends received | 1,546 | 893 |
| Purchase of property, plant and equipment | (1,647) | (2,018) |
| Purchase of investment securities | (5,659) | (11,507) |
| Proceeds from sale of property, plant and equipment | 100 | 14 |
| Proceeds from sale of investment securities | 53 | 2 |
| Placement of fixed deposits pledged to banks | (16) | (7) |
| Net cash flows used in investing activities | (3,133) | (10,779) |
| **Financing activities** | | |
| Dividends paid to owners of the parent | (22,114) | (16,848) |
| Dividends paid to non-controlling interest | (2,221) | (1,485) |
| Net cash flows used in financing activities | (24,335) | (18,333) |
| **Net increase/(decrease) in cash and cash equivalents** | 14,739 | (2,566) |
| **Effects of exchange rate changes on cash and cash equivalents** | 588 | (429) |
| **Cash and cash equivalents at beginning of period** | 109,654 | 112,649 |
| **Cash and cash equivalents at end of period** | 124,981 | 109,654 |

**Notes to the interim financial report - 31 December 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 Group have not adopted those standards and interpretations that have been issued but not yet effective. The directors expect that the adoption of those standards and interpretations will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 7: Transfers of Financial Assets

The amendments require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

The amendments introduce the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

FRS 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

## A 1 Basis of preparation (cont'd.)

FRS 10 Consolidated Financial Statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

FRS 11 Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard has no impact on the financial position of the Group as investment in jointly controlled entity is accounted using the equity method accounting.

FRS 12 Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

**A 1 Basis of preparation (cont'd.)**

FRS 128 Investments in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

**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 for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

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 2013. 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 ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its schedules milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2013.

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.

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

**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 2011:

| | Hectares |
|---|---|
| Mature | 6,360 |
| Replanting and immature | 800 |
| | 7,160 |

| | Fourth financial quarter | | Twelve months | |
|---|---|---|---|---|
| | 31.12.2011 | 31.12.2010 | 31.12.2011 | 31.12.2010 |
| Production (m/t) | | | | |
| fresh fruit bunches | | | | |
| Own estates | 32,752 | 33,735 | 131,985 | 126,975 |
| Purchase | 2,855 | 3,205 | 16,622 | 17,018 |
| | 35,607 | 36,940 | 148,607 | 143,993 |
| Crude palm oil | 5,009 | 4,732 | 22,217 | 20,831 |
| Palm kernel | 1,259 | 1,191 | 5,892 | 5,554 |
| Extraction Rate | | | | |
| Crude palm oil | 19.41% | 19.23% | 19.36% | 19.25% |
| Palm kernel | 4.88% | 4.84% | 5.13% | 5.13% |

**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 2011.

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

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

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

## A 7 Dividends paid

The amount of dividends paid during the twelve months ended 31 December 2011:

| | RM'000 |
|---|---|
| First interim dividend of 18% or 18 sen per stock unit less 25% taxation paid on 30 June 2011 | 9,477 |
| Second interim dividend of 24% or 24 sen per stock unit less 25% taxation paid on 30 December 2011 | 12,637 |
| | 22,114 |

## 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 | | | |
|---|---|---|---|---|
| | Fourth financial quarter | | Twelve months | |
| | 31.12.2011 | 31.12.2010 | 31.12.2011 | 31.12.2010 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue from external customers | 25,519 | 25,872 | 113,165 | 86,612 |
| Revenue from major customers | 20,037 | 22,449 | 86,007 | 75,306 |
| Reportable segment profit | 5,137 | 16,374 | 48,772 | 38,207 |
| Reportable segment's profit are reconciled as follows: | | | | |
| Total profit for reportable segment | 5,137 | 16,374 | 48,772 | 38,207 |
| Share of results of associates | 33 | 63 | (611) | 26 |
| Share of results of a jointly controlled entity | 1,460 | (410) | 764 | (902) |
| Interest income | 774 | 601 | 2,524 | 1,917 |
| Dividend income | 875 | 438 | 2,042 | 1,236 |
| Other income | 77 | 504 | 943 | 109 |
| Other operating expenses | (383) | - | (193) | (429) |
| Profit before tax | 7,973 | 17,570 | 54,241 | 40,164 |

| | 31.12.2011 | 31.12.2010 |
|---|---|---|
| | RM'000 | RM'000 |
| Reportable segment assets | 285,034 | 214,999 |
| Reportable segment's assets are reconciled as follows: | | |
| Total assets for reportable segment | 285,034 | 214,999 |
| Investments in associates | 19,284 | 19,507 |
| Investment in a jointly controlled entity | 24,443 | 22,914 |
| Investment securities | 41,088 | 40,901 |
| Unallocated assets | 122,174 | 111,476 |
| Total assets | 492,023 | 409,797 |
| Reportable segment liabilities | 7,072 | 5,939 |
| Reportable segment's liabilities are reconciled as follows: | | |
| Total liabilities for reportable segment | 7,072 | 5,939 |
| Income tax payable | 395 | 965 |
| Deferred tax liabilities | 34,273 | 25,967 |
| Total liabilities | 41,740 | 32,871 |

## A 9 Property, plant and equipment

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

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

## 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 2011.

## 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 2010.

## A 13 Related party disclosures

| | Twelve months 31.12.2011 RM'000 |
|---|---|
| (a) Companies in which certain directors and substantial shareholders have interests | |
| Agency fee | 55 |
| Purchase of oil palm produce | 1,938 |
| Sale of property, plant and equipment | 100 |
| (b) Related corporation in which certain directors and substantial shareholders have interests | |
| Sale of oil palm produce | 22,505 |
| Purchase of oil palm produce | 383 |
| (c) Associate in which certain directors and substantial shareholders have interests | |
| Management fee | 177 |
| (d) Person connected to certain directors | |
| Purchase of fertilisers | 1,134 |

| | As at 31.12.2011 RM'000 |
|---|---|
| (e) Included in receivables is an amount due from: - | |
| Related corporation in which certain directors and substantial shareholders have interests | 1,612 |
| (f) Included in payables are amounts due to: - | |
| Company in which certain directors and substantial shareholders have interests | 520 |
| Associate | 134 |

## 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

(a) Fourth financial quarter ended 31 December 2011

During the fourth financial quarter under review, revenue decreased by 1.36% when compared with the previous corresponding financial quarter due mainly to decreases in the average selling price and production of ffb. The average selling prices of crude palm oil and palm kernel were higher.

Profit net of tax decreased by 53.10% mainly due to a decrease in the fair value of biological of RM4,400,000 as compared with an increase of RM5,500,000 in the previous corresponding financial quarter.

Excluding the adjustment in fair value of biological assets, profit net of tax increased by 5.35%.

The Group recorded a positive contribution from jointly controlled entity, Chin Thye Investment Pte Ltd, due to its share of the increase in fair value of biological assets.

(b) Twelve months ended 31 December 2011

During the twelve months period under review, revenue improved by 30.66% when compared with the previous corresponding period due mainly to substantial increases in the average selling prices of ffb, crude palm oil and palm kernel.

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

In the twelve months period under review, there was a decrease in the fair value of biological of RM4,400,000 as compared with an increase of RM5,500,000 in the previous corresponding period.

The Group recorded a positive contribution from jointly controlled entity, Chin Thye Investment Pte Ltd, due to its share of the increase in fair value of biological assets.

Overall, profit net of tax increased by 37.55% due mainly to substantial increases in the average selling prices of ffb, crude palm oil and palm kernel.

Excluding the adjustment in fair value of biological assets, profit net of tax increased by 72.34%.

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

Revenue in the fourth financial quarter under review decreased by 20.63% when compared with the immediate preceding financial quarter due mainly to decreases in the average selling prices of crude palm oil and palm kernel. The production of ffb, crude palm oil and palm kernel were also lower.

Profit before tax decreased by 55.74% mainly due to lower revenue and a decrease of RM4,400,000 in the fair value of biological assets.

The Group recorded a positive contribution from jointly controlled entity, Chin Thye Investment Pte Ltd, due to its share of the increase in fair value of biological assets.

Excluding the adjustment in fair value of biological assets, profit before tax decreased by 31.31%.

### B 3 Prospects for financial year ending 31 December 2012

The average selling prices of ffb, crude palm oil and palm kernel are expected to remain firm for the financial year ending 31 December 2012.

## 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 31.12.2011 RM'000 | Twelve months 31.12.2011 RM'000 |
|---|---|---|
| Income tax: | | |
| Current provision | 2,891 | 14,296 |
| Overprovision in prior year | - | (1) |
| | 2,891 | 14,295 |
| Deferred income tax | (1,054) | (1,208) |
| | 1,837 | 13,087 |

The effective tax rate for the fourth financial quarter and twelve months period under review is lower than the statutory rate due mainly to certain income which are not subject to income tax and the effect of share of results of a jointly controlled entity.

## 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 | - | - |
| | 11,660,000 | 27,632,000 |

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 7 Borrowings and debt securities

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

## B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the twelve months period ended 31 December 2011.

## B 9 Material litigation

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

## B 10 Dividends

(i) A first interim dividend of 18% less 25% taxation and a second interim dividend of 24% less 25% taxation in respect of the financial year ended 31 December 2011 were paid on 30 June 2011 and 30 December 2011 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 2011.

(iii) The total dividends for the current financial year ended 31 December 2011:-

| Type of dividend | Gross | Tax | Net |
|---|---|---|---|
| | % | % | % |
| First interim | 18.00 | 25.00 | 13.50 |
| Second interim | 24.00 | 25.00 | 18.00 |
| | 42.00 | 25.00 | 31.50 |

(iv) The total dividends for the previous 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 11 Earnings per stock unit

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

| | Fourth financial quarter | | Twelve months | |
|---|---|---|---|---|
| | 31.12.2011 | 31.12.2010 | 31.12.2011 | 31.12.2010 |
| Profit attributable to owners of the parent (RM'000) | 4,189 | 11,396 | 33,318 | 25,648 |
| Weighted average number of stock units ('000) | 70,202 | 70,202 | 70,202 | 70,202 |
| Earnings per stock unit (sen) | | | | |
| Basic | 5.97 | 16.23 | 47.46 | 36.53 |
| Diluted | 5.97 | 16.23 | 47.46 | 36.53 |

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 12 Realised and unrealised profit/losses disclosure

| | As at 31.12.2011 RM'000 | As at 31.12.2010 RM'000 |
|---|---|---|
| Total retained profits of the Company and its subsidiaries | | |
| Realised | 190,679 | 169,699 |
| Unrealised | 33,206 | 36,907 |
| | 223,885 | 206,606 |
| Total share of retained profits from associates | | |
| Realised profits | 1,716 | 1,751 |
| Unrealised losses | (586) | (43) |
| Total share of accumulated losses from a jointly controlled entity | | |
| Unrealised profits/(losses) | 3,221 | (95) |
| Realised losses | (5,769) | (3,113) |
| | 222,467 | 205,106 |
| Less: consolidation adjustments | (38,673) | (32,991) |
| Total Group retained profits as per consolidated accounts | 183,794 | 172,115 |

## B 13 Notes to condensed statement of comprehensive income

| | Fourth financial quarter 31.12.2011 RM'000 | Twelve months 31.12.2011 RM'000 |
|---|---|---|
| Interest income | 774 | 2,524 |
| Other income including investment income | 925 | 3,087 |
| Interest expense | - | - |
| Depreciation | (559) | (2,204) |
| Provision for and write off of receivables | - | - |
| Loss on disposal of quoted investments | (193) | (193) |
| (Gain)/loss on disposal of unquoted investments | - | - |
| (Gain)/loss on disposal of properties | - | - |
| Impairment of assets | - | - |
| Foreign exchange (gain) or loss | 163 | (588) |
| (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 2010 was not qualified.

By Order of the Board

Gan Kok Tiong
Company Secretary
29 February 2012