

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

Condensed consolidated income statement
for the first financial quarter and three months ended 31 March 2012

	First financial quarter 31 March		Three months 31 March	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Revenue	20,360	27,996	20,360	27,996
Cost of sales	(10,947)	(10,170)	(10,947)	(10,170)
Gross profit	9,413	17,826	9,413	17,826
Interest income	648	488	648	488
Dividend income	147	103	147	103
Other income	31	303	31	303
Selling expenses	(289)	(253)	(289)	(253)
Administrative expenses	(3,440)	(3,087)	(3,440)	(3,087)
Replanting expenses	(1,171)	(732)	(1,171)	(732)
Other expenses	(256)	-	(256)	-
Share of results of associates	584	110	584	110
Share of results of a jointly controlled entity	(288)	(214)	(288)	(214)
Profit before tax	5,379	14,544	5,379	14,544
Income tax expense	(1,188)	(3,537)	(1,188)	(3,537)
Profit net of tax	4,191	11,007	4,191	11,007
Attributable to:				
Owners of the parent	3,741	9,704	3,741	9,704
Non-controlling interests	450	1,303	450	1,303
	4,191	11,007	4,191	11,007
Earnings per stock unit attributable to owners of the parent (sen)				
Basic	5.33	13.82	5.33	13.82
Diluted	5.33	13.82	5.33	13.82

Negri Sembilan Oil Palms Berhad (592D)
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Condensed consolidated statement of comprehensive income
for the first financial quarter and three months ended 31 March 2012

	First financial quarter 31 March		Three months 31 March	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	4,191	11,007	4,191	11,007
Other comprehensive income:				
Foreign currency translation	(58)	666	(58)	666
Net gain/(loss) on fair value changes of available-for-sale financial assets	4,858	(283)	4,858	(283)
Share of other comprehensive income of an associate	(1)	1	(1)	1
Total comprehensive income for the period	<u>8,990</u>	<u>11,391</u>	<u>8,990</u>	<u>11,391</u>
Attributable to:				
Owners of the parent	7,195	10,097	7,195	10,097
Non-controlling interests	1,795	1,294	1,795	1,294
	<u>8,990</u>	<u>11,391</u>	<u>8,990</u>	<u>11,391</u>

Negri Sembilan Oil Palms Berhad (592D)
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Condensed consolidated statement of financial position
As at 31 March 2012

	31.3.2012	31.12.2011
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	216,451	217,013
Biological assets	56,200	56,200
Investment in associates	19,814	19,284
Investment in a jointly controlled entity	24,150	24,443
Investment securities	46,650	41,088
	<u>363,265</u>	<u>358,028</u>
Current assets		
Inventories	2,368	2,298
Receivables	4,524	5,196
Income tax recoverable	2,761	1,176
Cash and bank balances	127,270	125,325
	<u>136,923</u>	<u>133,995</u>
Total assets	<u>500,188</u>	<u>492,023</u>
Equity and liabilities		
Current liabilities		
Payables	6,730	7,072
Income tax payable	-	395
	<u>6,730</u>	<u>7,467</u>
Non-current liabilities		
Deferred tax liabilities	34,185	34,273
Total liabilities	<u>40,915</u>	<u>41,740</u>
Equity attributable to owners of the parent		
Share capital	70,202	70,202
Share premium	4,336	4,336
Retained profits	188,260	183,794
Other reserves	121,740	119,011
	<u>384,538</u>	<u>377,343</u>
Non-controlling interests	74,735	72,940
Total equity	<u>459,273</u>	<u>450,283</u>
Total equity and liabilities	<u>500,188</u>	<u>492,023</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>5.48</u>	<u>5.38</u>

Condensed consolidated statement of changes in equity
for the three months ended 31 March 2012

		Attributable to owners of the parent													
		Equity attributable to owners of the parent, total					Non-Distributable								
		Share capital		Share premium		Retained profits		Asset revaluation reserve - land		Foreign currency translation reserve		Fair value adjustment reserve		Non-controlling 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	RM'000
At 1 January 2011		376,926	70,202	4,336	172,115	58,960	1,462	10,447	59,404						
Total comprehensive income		11,391	-	-	9,704	-	582	(189)	1,294						
Revaluation reserve of leasehold land realised		-	-	-	119	(119)	-	-	-						
At 31 March 2011		388,317	70,202	4,336	181,938	58,841	2,044	10,258	60,698						
At 1 January 2012		450,283	70,202	4,336	183,794	110,093	2,502	6,416	72,940						
Total comprehensive income		8,990	-	-	3,741	-	(54)	3,508	1,795						
Revaluation reserve of leasehold land realised		-	-	-	725	(725)	-	-	-						
At 31 March 2012		459,273	70,202	4,336	188,260	109,368	2,448	9,924	74,735						

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Condensed consolidated statement of cash flows
for the three months ended 31 March 2012

	31.3.2012	31.3.2011
	RM'000	RM'000
Operating activities		
Profit before tax	5,379	14,544
Adjustments		
Depreciation of property, plant and equipment	725	516
Gross dividend income	(147)	(103)
Interest income	(648)	(488)
Share of results of associates	(584)	(110)
Share of results of a jointly controlled entity	288	214
Unrealised loss on foreign exchange	263	145
Total adjustments	(103)	174
Operating cash flows before changes in working capital	5,276	14,718
Changes in working capital		
Increase in inventories	(70)	(445)
Decrease/(increase) in receivables	637	(890)
(Decrease)/increase in payables	(342)	932
Total changes in working capital	225	(403)
Cash flows from operations	5,501	14,315
Taxes paid	(3,255)	(2,289)
Net cash flows from operating activities	<u>2,246</u>	<u>12,026</u>
Investing activities		
Interest received	682	510
Net dividends received	147	97
Purchase of property, plant and equipment	(163)	(414)
Purchase of investment securities	(705)	(4,111)
Net cash flows used in investing activities	<u>(39)</u>	<u>(3,918)</u>
Net increase in cash and cash equivalents	2,207	8,108
Effects of exchange rate changes on cash and cash equivalents	(263)	(145)
Cash and cash equivalents at beginning of period	124,981	109,654
Cash and cash equivalents at end of period	<u>126,925</u>	<u>117,617</u>

Notes to the interim financial report - 31 March 2012

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 2011.

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 2011 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 2012. The adoption of these standards, amendments and interpretations do not have a material impact on the interim 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 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 ending 31 December 2012 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.

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Notes to the interim financial report - 31 March 2012

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 three months ended 31 March 2012:

	Hectares			
Mature	6,155			
Replanting and immature	1,005			
	<u>7,160</u>			
	First financial quarter		Three months	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
Production (m/t)				
fresh fruit bunches				
Own estates	26,289	31,970	26,289	31,970
Purchase	2,834	4,681	2,834	4,681
	<u>29,123</u>	<u>36,651</u>	<u>29,123</u>	<u>36,651</u>
Crude palm oil	4,163	5,276	4,163	5,276
Palm kernel	1,057	1,485	1,057	1,485
Extraction Rate				
Crude palm oil	18.94%	18.57%	18.94%	18.57%
Palm kernel	4.81%	5.23%	4.81%	5.23%

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 three months ended 31 March 2012.

A 6 Fair value changes of financial liabilities

As at 31 March 2012, the Group did not have any financial liabilities measured at fair value through profit or loss.

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Notes to the interim financial report - 31 March 2012

A 7 Dividends paid

No dividend was paid during the three months ended 31 March 2012.

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			
	First financial quarter		Three months	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	20,360	27,996	20,360	27,996
Revenue from major customers	15,729	22,179	15,729	22,179
Reportable segment profit	4,513	13,856	4,513	13,856

Reportable segment's profit are reconciled as follows:

Total profit for reportable segment	4,513	13,856	4,513	13,856
Share of results of associates	584	110	584	110
Share of results of a jointly controlled entity	(288)	(214)	(288)	(214)
Interest income	648	488	648	488
Dividend income	147	103	147	103
Other income	31	201	31	201
Other expenses	(256)	-	(256)	-
Profit before tax	5,379	14,544	5,379	14,544

	31.3.2012	31.12.2011
	RM'000	RM'000
Reportable segment assets	282,591	285,034

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	282,591	285,034
Investments in associates	19,814	19,284
Investment in a jointly controlled entity	24,150	24,443
Investment securities	46,650	41,088
Unallocated assets	126,983	122,174
Total assets	500,188	492,023

Reportable segment liabilities	6,730	7,072
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Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	6,730	7,072
Income tax payable	-	395
Deferred tax liabilities	34,185	34,273
Total liabilities	40,915	41,740

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Notes to the interim financial report - 31 March 2012

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 2012.

Capital commitments as at 31 March 2012.

	RM'000
Approved and contracted for:	
Purchase of plant and machinery	<u>2,310</u>

A 10 Material events subsequent to first financial quarter

Other than the declaration of the first interim dividend and special 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 2012.

A 11 Changes in composition of the Group

Other than the purchase 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 2011.

A 13 Related party disclosures

	Three months 31.3.2012 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Agency fee	14
Purchase of oil palm produce	<u>1,200</u>
(b) Related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	<u>4,407</u>
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	<u>44</u>
(d) Person connected to certain directors and a substantial shareholder	
Purchase of fertilisers	<u>382</u>
	As at 31.3.2012 RM'000
(e) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	<u>1,464</u>
(f) Included in payables are amounts due to: -	
Person connected to certain directors and a substantial shareholder	128
Company in which certain directors and substantial shareholders have interests	25
Associate in which certain directors and substantial shareholders have interests	<u>15</u>

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Notes to the interim financial report - 31 March 2012

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 first financial quarter and three months under review, revenue decreased by 27.28% when compared with the previous corresponding financial quarter and period due mainly to substantial decreases in the average selling prices and production of ffb, crude palm oil and palm kernel.

The decrease in the production of ffb is due cyclical factors as well as the replanting of old and low yield palms.

Overall expenses were higher due mainly to increase in the application of fertiliser.

Overall, profit before tax decreased by 63.02% due to substantial decreases in the average selling prices and production of ffb, crude palm oil and palm kernel.

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

Revenue in the first financial quarter under review decreased by 20.22% when compared with the immediate preceding financial quarter due mainly to substantial decreases in the production of ffb, crude palm oil and palm kernel. The average selling prices of ffb and crude palm oil were higher. However, the average selling price of palm kernel was lower.

The decrease in the production of ffb is due cyclical factors as well as the replanting of old and low yield palms.

In the preceding financial quarter there was an unfavourable adjustment of RM4,400,000 representing the decrease in the fair value of biological assets recognised in the income statement arising from the valuation of biological assets performed by a professional valuer.

Overall, profit before tax decreased by 32.53% due mainly to decreases in the production of ffb, crude palm oil and palm kernel.

However, excluding the adjustment in the fair value of biological assets, profit before tax decreased by 56.53% due mainly to decreases in the production of ffb, crude palm oil and palm kernel.

B 3 Prospects for financial year ending 31 December 2012

Since the end of the previous financial year, the selling price of crude palm oil has been volatile. Should this trend continue, it will affect the financial performance 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

	First financial quarter 31.3.2012 RM'000	Three months 31.3.2012 RM'000
Current income tax	1,276	1,276
Deferred income tax	(88)	(88)
	<u>1,188</u>	<u>1,188</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 and the effect of share of results of associates.

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Notes to the interim financial report - 31 March 2012

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	-	-
	<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 7 Borrowings and debt securities

As at 31 March 2012, there were no borrowings and debt securities.

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the three months period ended 31 March 2012.

B 9 Material litigation

There were no material litigations as at 31 December 2011 and at the date of issue of this interim financial report.

Notes to the interim financial report - 31 March 2012

B 10 Dividends

- (i) A first interim dividend and a special dividend in respect of the financial year ending 31 December 2012 have been declared by the Board of Directors.
- (ii) The amount per stock unit:
- (a) first interim dividend: 10% or 10 sen per stock unit less 25% taxation.
- (b) special dividend: 5% or 5 sen per stock unit less 25% taxation.
- (iii) The date payable for the first interim dividend of 10% or 10 sen per stock unit less 25% taxation and special dividend of 5% or 5 sen per stock unit less 25% taxation: 29 June 2012.
- (iv) In respect of deposited securities, entitlement to the first interim dividend of 10% or 10 sen per stock unit less 25% taxation and special dividend of 5% or 5 sen per stock unit less 25% taxation will be determined on the basis of the record of depositors as at 12 June 2012.

- (v) The total dividends for the current financial year ending 31 December 2012:-

Type of dividend	Gross	Tax	Net
	%	%	%
First interim	10.00	25.00	7.50
Special	5.00	25.00	3.75
	15.00	25.00	11.25

- (vi) 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

B 11 Earnings per stock unit

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

	First financial quarter		Three months	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
Profit attributable to owners of the parent (RM'000)	3,741	9,704	3,741	9,704
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	5.33	13.82	5.33	13.82
Diluted	5.33	13.82	5.33	13.82

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.

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Notes to the interim financial report - 31 March 2012

B 12 Realised and unrealised profit/losses disclosure

	As at 31.3.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	196,460	190,679
Unrealised	32,326	33,206
	<u>228,786</u>	<u>223,885</u>
Total share of retained profits from associates		
Realised profits	1,863	1,716
Unrealised losses	(182)	(586)
Total share of accumulated losses from a jointly controlled entity		
Unrealised profits	3,190	3,221
Realised losses	(5,986)	(5,769)
	<u>227,671</u>	<u>222,467</u>
Less: consolidation adjustments	(39,411)	(38,673)
Total Group retained profits as per consolidated accounts	<u>188,260</u>	<u>183,794</u>

B 13 Notes to condensed statement of comprehensive income

	First financial quarter 31.3.2012 RM'000	Three months 31.3.2012 RM'000
Interest income	648	648
Other income including investment income	147	147
Interest expense	-	-
Depreciation	(725)	(725)
Provision for and write off of receivables	-	-
Loss on disposal of quoted investments	-	-
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	(252)	(252)
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 2011 was not qualified.

By Order of the Board

Gan Kok Tiong
 Company Secretary
 25 May 2012