

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

Condensed consolidated income statement
for the fourth financial quarter and twelve months ended 31 December 2013

	Fourth		Twelve months	
	financial quarter		31 December	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	23,034	19,211	74,672	85,349
Cost of sales	(14,031)	(9,390)	(41,435)	(38,810)
Gross profit	9,003	9,821	33,237	46,539
Interest income	710	503	2,709	2,705
Dividend income	624	455	2,191	1,697
Other income	1,030	75	2,104	1,839
Fair value adjustment of biological assets	17,500	(17,400)	17,500	(17,400)
Selling expenses	(529)	(377)	(1,717)	(1,429)
Administrative expenses	(5,593)	(5,131)	(18,471)	(16,718)
Replanting expenses	(1,729)	(774)	(5,058)	(4,322)
Other expenses	(19)	-	(19)	-
Share of results of associates	75	162	313	830
Share of results of a jointly controlled entity	(2,905)	2,074	(3,804)	1,456
Profit before tax	18,167	(10,592)	28,985	15,197
Income tax expense	(4,840)	2,836	(6,714)	(2,628)
Profit net of tax	13,327	(7,756)	22,271	12,569
Attributable to:				
Owners of the parent	11,106	(6,643)	18,292	10,148
Non-controlling interest	2,221	(1,113)	3,979	2,421
	13,327	(7,756)	22,271	12,569
Earnings per stock unit attributable to owners of the parent (sen)				
Basic	15.82	(9.46)	26.06	14.46
Diluted	15.82	(9.46)	26.06	14.46

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 2013

	Fourth financial quarter 31 December		Twelve months 31 December	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit net of tax	13,327	(7,756)	22,271	12,569
Other comprehensive (loss)/income:				
Foreign currency translation	(1,636)	(1,040)	(841)	(414)
Net gain/(loss) on fair value changes of available-for-sale investment securities	223	(4,085)	3,266	6,641
Effect of change in tax rates on deferred tax	(3,429)	-	(3,429)	-
Share of other comprehensive income/(loss) of an associate	3	-	7	(6)
	<u>(4,839)</u>	<u>(5,125)</u>	<u>(997)</u>	<u>6,221</u>
Total comprehensive income/(loss) for the period	<u>8,488</u>	<u>(12,881)</u>	<u>21,274</u>	<u>18,790</u>
Attributable to:				
Owners of the parent	6,828	(10,373)	17,151	14,524
Non-controlling interest	1,660	(2,508)	4,123	4,266
	<u>8,488</u>	<u>(12,881)</u>	<u>21,274</u>	<u>18,790</u>

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

Condensed consolidated statement of financial position
As at 31 December 2013

	31.12.2013	31.12.2012
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	219,064	218,051
Biological assets	56,300	38,800
Investments in associates	21,617	20,587
Investment in a jointly controlled entity	19,652	25,006
Investment securities	58,904	49,782
	<u>375,537</u>	<u>352,226</u>
Current assets		
Inventories	2,254	3,490
Receivables	6,304	4,502
Income tax recoverable	555	855
Cash and bank balances	127,659	129,903
	<u>136,772</u>	<u>138,750</u>
Total assets	<u>512,309</u>	<u>490,976</u>
Current liabilities		
Payables	8,874	8,655
Income tax payable	479	403
	<u>9,353</u>	<u>9,058</u>
Non-current liabilities		
Deferred tax liabilities	36,649	29,598
Total liabilities	<u>46,002</u>	<u>38,656</u>
Equity attributable to owners of the parent		
Share capital	70,202	70,202
Share premium	4,336	4,336
Other reserves	120,796	122,662
Retained profits	192,097	179,398
	<u>387,431</u>	<u>376,598</u>
Non-controlling interest	78,876	75,722
Total equity	<u>466,307</u>	<u>452,320</u>
Total equity and liabilities	<u>512,309</u>	<u>490,976</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>5.52</u>	<u>5.36</u>

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

Condensed consolidated statement of changes in equity
for the twelve months ended 31 December 2013

		Attributable to owners of the parent									
		Non-Distributable					Distributable				
		Equity attributable to owners of the parent					Non-Distributable				
	Equity, total	Equity, total	Share capital	Share premium	Retained profits	Asset revaluation reserve - land	Foreign currency translation reserve	Fair value adjustment reserve	Non-controlling interest		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2012	450,283	377,343	70,202	4,336	183,795	110,092	2,502	6,416	72,940		
Total comprehensive income/(loss)	18,790	14,524	-	-	10,147	-	(321)	4,698	4,266		
Revaluation reserve of leasehold land realised	-	-	-	-	725	(725)	-	-	-		
Dividends, representing total transactions with owners	(16,753)	(15,269)	-	-	(15,269)	-	-	-	(1,484)		
At 31 December 2012	452,320	376,598	70,202	4,336	179,398	109,367	2,181	11,114	75,722		
At 1 January 2013	452,320	376,598	70,202	4,336	179,398	109,367	2,181	11,114	75,722		
Total comprehensive income/(loss)	21,274	17,151	-	-	18,292	(3,107)	(672)	2,638	4,123		
Revaluation reserve of leasehold land realised	-	-	-	-	725	(725)	-	-	-		
Dividends, representing total transactions with owners	(7,287)	(6,318)	-	-	(6,318)	-	-	-	(969)		
At 31 December 2013	466,307	387,431	70,202	4,336	192,097	105,535	1,509	13,752	78,876		

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

Condensed consolidated statement of cash flows
for the twelve months ended 31 December 2013

	31.12.2013	31.12.2012
	RM'000	RM'000
Operating activities		
Profit before tax	28,985	15,197
Adjustments		
Depreciation of property, plant and equipment	3,511	3,030
Fair value (increase)/decrease in biological assets	(17,500)	17,400
Gain on sale of property, plant and equipment	-	(6)
Gross dividend income	(2,191)	(1,697)
Interest income	(2,709)	(2,705)
Net fair value gain on available-for-sale securities (transferred from equity on disposal)	(824)	(1,031)
Property, plant and equipment written off	19	-
Share of results of associates	(313)	(830)
Share of results of a jointly controlled entity	3,804	(1,456)
Unrealised gain on foreign exchange	(909)	(708)
Total adjustments	<u>(17,112)</u>	<u>11,997</u>
Operating cash flows before changes in working capital	11,873	27,194
Changes in working capital		
Decrease/(increase) in inventories	1,236	(1,191)
(Increase)/decrease in receivables	(1,782)	738
Decrease in payables	219	1,584
Total changes in working capital	<u>(327)</u>	<u>1,131</u>
Cash flows from operations	11,546	28,325
Taxes paid	(2,689)	(6,911)
Net cash flows from operating activities	<u>8,857</u>	<u>21,414</u>
Investing activities		
Interest received	2,689	2,660
Net dividends received	1,744	1,502
Purchase of property, plant and equipment	(4,545)	(4,068)
Purchase of investment securities	(8,048)	(2,969)
Proceeds from sale of property, plant and equipment	-	6
Proceeds from sale of investment securities	3,437	2,078
Placement of fixed deposits pledged to banks	(14)	(12)
Net cash flows used in investing activities	<u>(4,737)</u>	<u>(803)</u>
Financing activities		
Dividends paid to owners of the parent	(6,318)	(15,269)
Dividends paid to non-controlling interest	(969)	(1,484)
Net cash flows used in financing activities	<u>(7,287)</u>	<u>(16,753)</u>
Net (decrease)/increase in cash and cash equivalents	(3,167)	3,858
Effects of exchange rate changes on cash and cash equivalents	909	708
Cash and cash equivalents at beginning of period	129,547	124,981
Cash and cash equivalents at end of period	<u>127,289</u>	<u>129,547</u>

Notes to the interim financial report - 31 December 2013

A Explanatory notes - FRS 134 : Interim Financial Reporting

A 1 Basis of preparation

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

The interim financial report is unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the financial year ended 31 December 2012 except for the adoption of the following new and amended and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2013: -

Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosures on Interests in Other Entities
Amendments to FRS 10, FRS 11 and FRS12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
FRS 13	Fair Value Measurement
Amendments to FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associate and Joint Ventures
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

Other than as disclosed below, the initial applications of the above revised FRS, Amendments to FRS and Amendments to IC Interpretations have no significant impact on the financial statements of the Group in the period of initial application.

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 companies including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which companies are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127. The adoption of FRS 10 did not have any financial impact on the Group.

FRS 11 Joint Arrangements

RS 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 adoption of FRS 11 did not have any financial impact on the Group.

Notes to the interim financial report - 31 December 2013

A 1 Basis of preparation (cont'd.)

FRS 12 Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured companies. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance. The adoption of FRS 12 did not have any financial impact on the Group.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRSs 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 FRSs when fair value is required or permitted. The adoption of FRS 13 did not have any financial impact on the Group.

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. The adoption of FRS 127 did not have any financial impact on the Group.

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. The adoption of FRS 128 did not have any financial impact on the Group.

Standards and Interpretations issued but not yet effective

At the date of this report, the following new FRS, Amendments to FRS and IC Interpretation were issued but not yet effective and have not been applied by the Group:

Effective for financial period beginning on or after 1 January 2014:

Amendments to FRS132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies	

Effective for financial period beginning on or after 1 January 2015:

FRS 9	Financial Instruments
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The initial application of these Standards are not expected to have any significant impact on the financial statements of the Group in the period of their initial application except as discussed below.

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

Notes to the interim financial report - 31 December 2013

A 1 Basis of preparation (cont'd.)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing Financial Reporting Standards (FRS) Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has commenced transitioning its accounting policies and financial reporting from the current Financial Reporting Standards to MFRS Framework. At the date of these interim financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2013 could be different if prepared under the MFRS Framework.

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 2013:

	Hectares			
Mature	6,179			
Replanting and immature	1,000			
	<u>7,179</u>			
	Fourth financial quarter		Twelve months	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Production (m/t)				
fresh fruit bunches				
Own estates	31,129	34,408	118,223	123,244
Purchase	13,114	2,922	24,291	12,021
	<u>44,243</u>	<u>37,330</u>	<u>142,514</u>	<u>135,265</u>
Crude palm oil	6,946	5,361	21,833	19,934
Palm kernel	1,761	1,432	5,744	5,340
	<u>8,707</u>	<u>6,793</u>	<u>27,577</u>	<u>25,274</u>
Extraction Rate				
Crude palm oil	19.15%	19.01%	18.98%	18.93%
Palm kernel	4.85%	5.08%	4.99%	5.07%

Notes to the interim financial report - 31 December 2013

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 2013.

A 6 Fair value changes of financial liabilities

As at 31 December 2013, 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 2013:

	RM'000
First interim dividend of single tier 4% in respect of financial year ended 31 December 2013 paid on 28 June 2013	2,808
Second interim dividend of single tier 5% in respect of financial year ended 31 December 2013 paid on 31 December 2013	3,510
	<u>6,318</u>

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	23,034	19,211	74,672	85,349
Revenue from major customers	15,713	12,412	47,474	59,863
Reportable segment profit	18,940	(13,861)	25,778	6,670
Reportable segment's profit are reconciled as follows:				
Total profit for reportable segment	18,940	(13,861)	25,778	6,670
Share of results of associates	75	162	313	830
Share of results of a jointly controlled entity	(2,905)	2,074	(3,804)	1,456
Interest income	710	503	2,709	2,705
Dividend income	624	455	2,191	1,697
Other income	742	75	1,817	1,839
Other expenses	(19)	-	(19)	-
Profit before tax	18,167	(10,592)	28,985	15,197

Notes to the interim financial report - 31 December 2013

A 8 Segment information (cont'd.)

	31.12.2013	31.12.2012
	RM'000	RM'000
Reportable segment assets	289,347	269,231
Reportable segment's assets are reconciled as follows:		
Total assets for reportable segment	289,347	269,231
Investments in associates	21,617	20,587
Investment in a jointly controlled entity	19,652	25,006
Investment securities	58,904	49,782
Unallocated assets	122,789	126,370
Total assets	512,309	490,976
Reportable segment liabilities	8,874	8,655
Reportable segment's liabilities are reconciled as follows:		
Total liabilities for reportable segment	8,874	8,655
Income tax payable	479	403
Deferred tax liabilities	36,649	29,598
Total liabilities	46,002	38,656

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 2013.

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 2013.

A 11 Changes in composition of the Group

Other than the purchase and sale of quoted investments, there were no business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinued operations.

A 12 Contingent liabilities and contingent assets

As at the date of issue of this interim financial report, there were no contingent liabilities and contingent assets that had arisen since 31 December 2012.

Notes to the interim financial report - 31 December 2013

A 13 Related party disclosures

	Twelve months 31.12.2013 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Agency fee	55
Purchase of oil palm produce	889
(b) Related corporation in which certain directors and substantial shareholders have interests	12,564
(c) Associate in which certain directors and substantial shareholders have interests	
Management fee	177
	As at 31.12.2013 RM'000
(d) Included in receivables is an amount due from: -	
Related corporation in which certain directors and substantial shareholders have interests	1,258
(e) Included in payables are amounts due to: -	
Associate in which certain directors and substantial shareholders have interests	346

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 2013

Revenue in the current financial quarter improved by 19.90% to RM23,034,000 from RM19,211,000 when compared with the preceding year corresponding financial quarter due mainly to the substantial increase in the sales volume of crude palm oil even though the average selling price was lower.

The production of ffb was lower. However, the purchases of ffb were higher. Overall, the production of crude palm oil and palm kernel were higher.

Overall operating expenses were higher due mainly to an increase in the purchase of ffb.

As reported previously, harvesting of newly matured fields in the oil palm plantation of the joint venture in Indonesia has been delayed due to the unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities.

The Group suffered a loss in its share of results of jointly controlled entity due mainly to a decrease in the fair value of biological assets of the jointly controlled entity.

Overall, the Group recorded a profit net of tax in the current financial quarter of RM13,327,000 as compared with a net loss RM7,756,000 in the preceding year corresponding financial quarter due mainly to an increase in the fair value of biological assets of the Group of RM17,500,000 or RM13,125,000 net of tax, as compared with a decrease of RM17,400,000 or RM13,050,000 net of tax, in the preceding year corresponding financial quarter.

Excluding the adjustment in fair value of biological assets, the Group profit net of tax decreased by 96.18% from RM5,294,000 to RM202,000 due mainly to a loss in its share of results of jointly controlled entity of RM2,905,000 in the current financial quarter as compared with a profit of RM2,074,000 in the preceding year corresponding financial quarter.

Notes to the interim financial report - 31 December 2013

B 1 Review of performance (cont'd.)

(b) Twelve months ended 31 December 2013

Revenue in the current financial year decreased by 12.51% to RM74,672,000 from RM85,349,000 when compared with the preceding financial year due mainly to the substantial decreases in the average selling prices of ffb, crude palm oil and palm kernel even though the sales volume of crude palm oil and palm kernel were higher.

The production of ffb was lower. However, the purchases of ffb were higher. Overall, the production of crude palm oil and palm kernel were higher.

Overall operating expenses were higher due mainly to an increase in the purchase of ffb.

As reported previously, harvesting of newly matured fields in the oil palm plantation of the joint venture in Indonesia has been delayed due to the unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities.

The Group suffered a loss in its share of results of jointly controlled entity due mainly to a decrease in the fair value of biological assets of the jointly controlled entity.

Overall, profit net of tax in the current financial year increased by 77.19% to RM22,271,000 from RM12,569,000 due to an increase in the fair value of biological assets of RM17,500,000 or RM13,125,000 net of tax, as compared with a decrease of RM17,400,000 or RM13,050,000 net of tax, in the preceding financial year.

Excluding the adjustment in fair value of biological assets, the Group profit net of tax decreased by 64.30% from RM25,619,000 to RM9,146,000 due mainly to a loss in its share of results of jointly controlled entity of RM3,804,000 in the current financial year as compared with a profit of RM1,456,000 in the preceding financial year and the substantial decreases in the average selling prices of ffb, crude palm oil and palm kernel.

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

When compared with the immediate preceding financial quarter, revenue in the current financial quarter under review increased by 23.85% to RM23,034,000 from RM18,599,000 due to increases in the average selling prices and sales volume of ffb, crude palm oil and palm kernel.

The production of ffb was lower. However, the purchases of ffb were higher. Overall, the production of crude palm oil and palm kernel were higher.

Overall operating expenses were higher due mainly to an increase in the purchase of ffb.

The Group suffered a loss in its share of results of jointly controlled entity due mainly to a decrease in the fair value of biological assets of the jointly controlled entity.

Overall, profit before tax in the current financial quarter increased by 201.88% to RM18,167,000 from RM6,018,000 in the immediate preceding financial quarter due to an increase in the fair value of biological assets of RM17,500,000.

Excluding the adjustment in fair value of biological assets, the Group profit before tax decreased by 88.92% from RM6,018,000 to RM667,000 due mainly to a loss in its share of results of jointly controlled entity of RM2,905,000 in the current financial quarter as compared with a loss of RM221,000 in the immediate preceding quarter and higher overall operating expenses.

B 3 Prospects for financial year ending 31 December 2014

The selling prices of ffb, crude palm oil and palm kernel have strengthened since the end of the of the financial year ended 31 December 2013. Should this trend continue, it would have a corresponding effect on the financial performance for the financial year ending 31 December 2014.

Notes to the interim financial report - 31 December 2013

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 Income tax expense

	Fourth financial quarter 31.12.2013 RM'000	Twelve months 31.12.2013 RM'000
Current income tax	973	3,053
(Over)/under provision in prior year	(17)	39
	<u>956</u>	<u>3,092</u>
Deferred income tax	3,884	3,622
	<u>4,840</u>	<u>6,714</u>

The effective tax rate for the fourth financial quarter under review is higher than the statutory rate due mainly to the effect of share of results of jointly controlled entity.

The effective tax rate for the twelve months period under review is lower than the statutory rate due mainly to certain income which are not assessable to income tax.

B 6 Status of corporate proposals

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

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

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

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

Financial year	No. of shares	Amount (RM)
31.12.2006	7,200,000	16,950,000
31.12.2007	-	-
31.12.2008	3,400,000	8,140,000
31.12.2009	1,060,000	2,542,000
31.12.2010	-	-
31.12.2011	-	-
31.12.2012	-	-
	<u>11,660,000</u>	<u>27,632,000</u>

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

Notes to the interim financial report - 31 December 2013

B 7 Borrowings and debt securities

As at 31 December 2013, 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 2013.

B 9 Material litigation

There were no material litigations as at 31 December 2012 and at the date of issue of this interim financial report.

B 10 Dividends

(i) A first interim dividend of single tier 4% and second interim dividend of single tier 5% in respect of the financial year ended 31 December 2013 were paid on 28 June 2013 and 31 December 2013 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 2013.

(iii) The total dividends for the current financial year ended 31 December 2013:-

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

(iv) The total dividends for the financial year ended 31 December 2012:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	%	%	%
First interim	10.00	25.00	7.50
Special	5.00	25.00	3.75
Second interim	14.00	25.00	10.50
	<u>29.00</u>	<u>25.00</u>	<u>21.75</u>

B 11 Earnings per stock unit

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

	Fourth financial quarter		Twelve months	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Profit attributable to owners of the parent (RM'000)	11,106	(6,643)	18,292	10,148
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	15.82	(9.46)	26.06	14.46
Diluted	15.82	(9.46)	26.06	14.46

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 December 2013

B 12 Realised and unrealised profit/losses disclosure

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	201,543	195,779
Unrealised	36,360	22,642
	<u>237,903</u>	<u>218,421</u>
Total share of retained profits from associates		
Realised	2,155	1,809
Unrealised	54	105
Total share of retained profits/(accumulated losses) from a jointly controlled entity		
Unrealised profits	4,552	7,091
Realised losses	(9,132)	(8,376)
	<u>235,532</u>	<u>219,050</u>
Less: consolidation adjustments	(43,435)	(39,652)
Total Group retained profits as per consolidated accounts	<u>192,097</u>	<u>179,398</u>

B 13 Notes to condensed statement of comprehensive income

	Fourth financial quarter 31.12.2013 RM'000	Twelve months 31.12.2013 RM'000
Interest income	710	2,709
Other income including investment income	624	2,191
Interest expense	-	-
Depreciation	(948)	(3,511)
Provision for and write off of receivables	-	-
Gain on disposal of quoted investments	651	824
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	50	909
Gain/(loss) on derivatives	-	-
Exceptional items	-	-
	<u>-</u>	<u>-</u>

B 14 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2012 was not qualified.

By Order of the Board

Gan Kok Tiong
 Company Secretary
 27 February 2014