

Condensed Consolidated Income Statement
For The Quarter Ended 31 March 2011
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2011	Preceding Year Corresponding Quarter 31 Mar 2010	Current Year 3 months ended 31 Mar 2011	Preceding Year Corresponding Period 31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Revenue	2,712	8,217	2,712	8,217
Cost of sales	(1,718)	(5,790)	(1,718)	(5,790)
Gross profit	994	2,427	994	2,427
Other operating income	615	20	615	20
Other operating expenses	(528)	(422)	(528)	(422)
Operating Profit	1,081	2,025	1,081	2,025
Finance costs	-	-	-	-
Interest income	-	-	-	-
Profit before tax	1,081	2,025	1,081	2,025
Income tax expense	(159)	(534)	(159)	(534)
Profit for the year attributable to equity holders of the company	922	1,491	922	1,491
Earnings per share attributable to equity holders of the Company:	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic	0.49	1.40	0.49	1.40
Diluted	0.48	-	0.48	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

INNOPRISE PLANTATIONS BERHAD (285072-M)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Comprehensive Income
For The Quarter Ended 31 March 2011
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2011	Preceding Year Corresponding Quarter 31 Mar 2010	Current Year 3 months ended 31 Mar 2011	Preceding Year Corresponding Period 31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	922	1,491	922	1,491
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the period attributable to equity holders of the company	<u><u>922</u></u>	<u><u>1,491</u></u>	<u><u>922</u></u>	<u><u>1,491</u></u>

The condensed consolidated income statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Balance Sheet
As at 31 March 2011**

	(Unaudited)	(Audited)
	End of Current Quarter 31 Mar 2011	Preceding Financial Year Ended 31 Dec 2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,374	35,163
Biological asset	92,412	86,179
	<u>129,786</u>	<u>121,342</u>
Current Assets		
Inventories	9,602	9,892
Trade receivables	674	356
Other receivables	1,454	1,806
Tax refundable	-	-
Short term investment	85,764	96,627
Cash and bank balances	951	136
	<u>98,445</u>	<u>108,817</u>
TOTAL ASSETS	<u><u>228,231</u></u>	<u><u>230,159</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	188,611	188,611
Capital Reserves	585	490
Accumulated profits / (losses)	16,923	16,001
Total equity	<u>206,119</u>	<u>205,102</u>
Non-current liabilities		
Deferred tax liabilities	<u>9,548</u>	<u>9,389</u>
Current liabilities		
Trade payables	9,657	13,466
Other payables	2,907	2,031
Current tax payables	-	-
Amount due to bankers	-	171
	<u>12,564</u>	<u>15,668</u>
Total liabilities	<u>22,112</u>	<u>25,057</u>
TOTAL EQUITY AND LIABILITIES	<u><u>228,231</u></u>	<u><u>230,159</u></u>

The Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statement
For the Quarter ended 31 March 2011**

	3 months ended 31 March 2011	12 months ended 31 December 2010
	<u>RM'000</u>	<u>RM'000</u>
Cash Flows From Investing Activities		
Profit before taxation	1,081	9,337
Adjustment for non-cash flow:-		
Depreciation of property, plant and equipment	11	80
Dividend income	(148)	(433)
Interest income	-	(116)
Share options granted under ESOS	95	342
Net fair value gain on held for trading investment securities	(489)	(1,690)
Operating profit before working capital changes	<u>550</u>	<u>7,520</u>
(Increase) / decrease in inventories	290	(4,442)
(Increase) / decrease in receivables	34	514
Increase / (decrease) in payables	(2,933)	4,132
Cash generated from operations	<u>(2,059)</u>	<u>7,724</u>
Income tax paid	-	(1)
Income tax refunded	-	83
Net cash generated from/(used in) operating activities	<u>(2,059)</u>	<u>7,806</u>
Cash Flows from Investing activities		
Purchase of property, plant and equipment	(2,527)	(11,251)
Payment for oil palm planting expenditure	(5,928)	(27,192)
Disposal / (purchase) of short term investments	11,352	(94,936)
Interest received	-	116
Dividend received	148	433
Net cash used in investing activities	<u>3,045</u>	<u>(132,830)</u>
Cash Flows from financing activity		
Proceeds from issuance of ordinary shares	-	132,361
Right Issue expenses	-	(712)
Net cash generated from financing activity	<u>-</u>	<u>131,649</u>
Net increase / (decrease) in cash and cash equivalents	986	6,625
Cash and cash equivalents at beginning of year	(35)	(6,660)
Cash and cash equivalents at end of period	<u><u>951</u></u>	<u><u>(35)</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Changes in Equity
For the Financial Quarter ended 31 March 2011**

	Share Capital	Capital Reserve	Accumulated (Losses) / Profits	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2011	188,611	490	16,001	205,102
Capital reduction	-	-	-	-
Renounceable rights issue	-	-	-	-
Right issue expenses	-	-	-	-
Share options granted under ESOS				
- Recognised in income statement	-	66	-	66
- Included in investments in subsidiary	-	29	-	29
Total comprehensive income for the period	-	-	922	922
At 31 March 2011	<u>188,611</u>	<u>585</u>	<u>16,923</u>	<u>206,119</u>
At 1 January 2010	112,500	-	(46,670)	65,830
Capital reduction	(56,250)	-	56,250	-
Total comprehensive income for the period	-	-	1,491	1,491
At 31 March 2010	<u>56,250</u>	<u>-</u>	<u>11,071</u>	<u>67,321</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

A. EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statement for the financial year ended 31 December 2010.

These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010 except for the following Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

FRSs, Amendments to FRSs and Interpretations

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards

FRS 3 (Revised) Business Combinations

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 1 (Revised) Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 Additional Exemptions for First-time Adopters

Amendments to FRS 2 Share-based Payment

Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions

Amendments to FRS 5 Non-current Assets Held for Sales and Discontinued Operations

Amendments to FRS 7 Improving Disclosures about Financial Instruments

Amendments to FRS 132 Financial Instruments : Presentation

Amendments to FRS 138 Intangible Assets

Amendments to FRSs “Improvements to FRSs (2010)”

IC Interpretation 4 Determining Whether an Arrangement Contains a Lease

IC Interpretation 12 Service Concession Arrangements

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**
2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
IC Interpretation 18 Transfers of Assets from Customers
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
TR i-4 Shariah Compliant sale contracts

The adoption of the above FRSs, Amendments and IC Interpretations did not result in any significant financial impact on the interim financial report upon their initial application, except for the following:

- (a) The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

The Group has not adopted the following new/revised FRSs, Amendments and IC Interpretations that were issued but not yet effective:

	Effective date
FRS 124(Revised) Related Party Disclosures	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**
3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

4. SEGMENTAL INFORMATION

Business segments

	Cumulative Quarter ended 31 March 2011		
	Timber	Plantations	Consolidated
	RM'000	RM'000	RM'000
Segment Revenue	<u>1,131</u>	<u>1,581</u>	<u>2,712</u>
Segment Results	<u>409</u>	<u>248</u>	657
Other income			615
Unallocated expenses			<u>(191)</u>
Profit before taxation			1,081
Income tax			<u>(159)</u>
Cumulative profit up to 31 Mar 2011			<u>922</u>
OTHER INFORMATION			
Segments Assets	<u>-</u>	<u>141,516</u>	141,516
Unallocated assets			<u>86,715</u>
Consolidated Assets			<u>228,231</u>
Segments Liabilities	<u>728</u>	<u>11,836</u>	12,564
Unallocated liabilities			<u>9,548</u>
Consolidated Liabilities			<u>22,112</u>

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE, OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2011.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

6. CHANGES IN ESTIMATES

There were no changes in estimates that had a material effect in the current quarter results.

7. SEASONAL OR CYCLICAL FACTORS

The Group's operations were not materially affected by any seasonal or cyclical factors.

8. DIVIDENDS PAID

No dividends were paid out during the current quarter.

9. CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

There were no brought forward valuations of property, plant and equipment from the financial year ended 31 December 2010 and there were no valuations of property, plant and equipment carried out during the financial period ended 31 March 2011.

10. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale, and repayments of debt and equity securities during the financial period ended 31 March 2011.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial quarter.

12. DISCONTINUED OPERATION

There were no discontinued operations for the Group during the current financial quarter.

13. CAPITAL COMMITMENTS

The commitments for the oil palm plantation development not provided for in the interim financial statements as at 31 March 2011 are as follows:

	<u>RM'000</u>
Approved and contracted for oil palm plantation development	7,487
Approved but not contracted for oil palm plantation development	57,535
	<u>65,022</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2010.

15. MATERIAL RELATED PARTY TRANSACTIONS

Group	2011 <u>RM'000</u>
Trade transactions	
Transaction with a related party:	
Log extraction contract fee from Rakyat Berjaya Sdn. Bhd.	<u>1,008</u>
Sale of oil palm seedlings from TSH Biotech Sdn. Bhd., a company in which a director of the Company has an interest.	119
Rental paid to TSH Resources Bhd., a company in which a director of the Company has an interest.	18
Sale of oil palm fresh fruit bunches to Regional Harvest Sdn. Bhd.	719
Sale of oil palm fresh fruit bunches to Sabah Softwoods Berhad	862
Log extraction contract fee to Asiatic Lumber Industries Sdn. Bhd., a company in which a director of the Company has an interest.	<u>720</u>
Company	
Trade transaction	
Management fees charged to subsidiary - Serijaya Industri Sdn. Bhd.	<u>90</u>

16. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD REPORTED

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for the period.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

1. PERFORMANCE REVIEW

The Group registered a turnover of RM2.712 million for the current quarter ended 31 March 2011 representing a decrease of 67% as compared to turnover of RM8.217 million for the preceding financial year corresponding quarter.

Profit before tax for the current year quarter ended 31 March 2011 was RM1.081 million representing a decrease of 47% as compared to profit of RM2.025 million in the preceding financial year corresponding quarter.

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group registered a turnover of RM2.712 million for current quarter representing a decrease of 30% as compared to turnover of RM3.854 million in the immediate preceding quarter. The decrease is principally as inclement weather conditions hampered production during the quarter.

Profit before tax for the current quarter was RM1.081 million representing a decrease of 60% as compared to profit before tax of RM2.703 million in the immediate preceding quarter.

3. PROSPECT FOR 2011

The Board of Directors is confident of achieving reasonable profitability with logging activities continuing to be a profit contributor and higher contribution from oil palm as more area comes into harvesting.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**
4. PROFIT FORECAST OR PROFIT GUARANTEE

There were no profit forecasts or profit guarantees released to the public.

5. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2011	Preceding Year Corresponding Quarter 31 Mar 2010	Current Year 3 months ended 31 Mar 2011	Preceding Year Corresponding Period 31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
Malaysian income tax	-	-	-	-
Deferred tax	159	534	159	534
	<u>159</u>	<u>534</u>	<u>159</u>	<u>534</u>
(Over)/underprovided in prior years:				
Malaysian income tax	-	-	-	-
Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>159</u>	<u>534</u>	<u>159</u>	<u>534</u>

6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales/disposals of unquoted investments and properties during the current financial quarter and period ended 31 March 2011.

7. QUOTED SECURITIES

- a) There was no purchase and sale of quoted securities for the current financial quarter ended 31 March 2011.
- b) There was no investment in quoted shares as at 31 March 2011.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**
8. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the current financial quarter ended 31 March 2011.

9. UTILISATION OF PROCEEDS

Part of the proceed raised from Right Issue Exercise have been utilized in the following manner;

	Fund utilized		As per Prospectus RM
	Quarter RM	Cumulative Todate RM	
Plantation and Development Expenses (direct and indirect)	5,798	33,540	80,000
Property, plant and equipment	2,527	11,934	42,904
Expenses for the corporate exercise	-	712	600
Working capital purposes	3,175	3,175	8,857
	11,500	49,361	132,361

10. BORROWINGS

There were no borrowings for the current financial quarter ended 31 March 2011.

11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 March 2011.

12. CHANGES IN MATERIAL LITIGATION

There were no changes in material litigation since the last annual balance sheet date of 31 December 2010.

13. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31 March 2011 (31 March 2010 : Nil).

14. EARNINGS PER SHARE

(a) Basic earning per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year:

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2011	Preceding Year Corresponding Quarter 31 Mar 2010	Current Year 3 months ended 31 Mar 2011	Preceding Year Corresponding Period 31 Mar 2010
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit attributable to ordinary equity holders of the parent	<u>922</u>	<u>1,491</u>	<u>922</u>	<u>1,491</u>
Weighted average number of ordinary shares in issue ('000)	<u>188,611</u>	<u>106,250</u>	<u>188,611</u>	<u>106,250</u>
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic earnings per share	<u>0.49</u>	<u>1.40</u>	<u>0.49</u>	<u>1.40</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**
14. EARNINGS PER SHARE (Cont'd)
(b) Diluted earning per share

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2011	Preceding Year Corresponding Quarter 31 Mar 2010	Current Year 3 months ended 31 Mar 2011	Preceding Year Corresponding Period 31 Mar 2010
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit attributable to ordinary equity holders of the parent	922	1,491	922	1,491
Weighted average number of ordinary shares in issue ('000)	188,611	112,500	188,611	112,500
Effect of ESOS ('000)	3,285	-	3,285	-
Weighted average number of ordinary shares in issue ('000)	191,896	112,500	191,896	112,500
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Diluted earnings per share	0.48	-	0.48	-

The diluted earning per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

The share options was calculated based on the number of shares which would have been acquired at the market price (average annual share price of the company's share) based on the monetary value of the subscription rights attached to the outstanding share options. No adjustment is made to the net profit attributable to shareholders for the share options calculations.

15. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 23 May 2011.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**
C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES.

Total unappropriated profit as at 31 March 2011 and 31 December 2010 is analysed as follows:

	As at end of current quarter 31 Mar 2011 RM'000	As at end of preceding quarter 31 Dec 2010 RM'000
Total unappropriated profit of the Company and its subsidiary		
- Realised	25,822	25,139
- Unrealised	(7,369)	(7,698)
	18,453	17,441
Consolidation adjustments	(1,530)	(1,440)
Total Group accumulated profits as per consolidated accounts	16,923	16,001