

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

**Condensed consolidated statements of profit or loss**  
**for the second financial quarter ended 30 June 2016**

	<b>Second financial quarter 30 June</b>		<b>Six months 30 June</b>	
	<b>2016 RM'000</b>	<b>2015 RM'000 (Restated)</b>	<b>2016 RM'000</b>	<b>2015 RM'000 (Restated)</b>
Revenue	24,110	22,608	42,660	40,422
Cost of sales	(16,180)	(16,105)	(29,842)	(28,778)
Gross profit	7,930	6,503	12,818	11,644
Interest income	787	624	1,382	1,258
Dividend income	890	900	1,119	1,061
Other income	898	963	213	1,678
Selling expenses	(401)	(491)	(721)	(813)
Administrative expenses	(4,926)	(4,995)	(9,595)	(10,327)
Replanting expenses	(1,885)	(1,497)	(3,565)	(2,908)
Other expenses	-	-	(446)	-
Share of results of associates	543	961	344	1,431
Share of results of a joint venture	(11)	(272)	(804)	(525)
Profit before tax	3,825	2,696	745	2,499
Income tax (expense)/credit	(397)	206	(382)	565
Profit net of tax	3,428	2,902	363	3,064
Attributable to:				
Owners of the parent	2,941	2,282	710	2,512
Non-controlling interests	487	620	(347)	552
	3,428	2,902	363	3,064
Earnings per stock unit attributable to owners of the parent (sen)				
Basic	4.19	3.25	1.01	3.58
Diluted	4.19	3.25	1.01	3.58

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

**Condensed consolidated statements of comprehensive income**  
**for the second financial quarter ended 30 June 2016**

	Second financial quarter 30 June		Six months 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
		(Restated)	(Restated)	
Profit net of tax	3,428	2,902	363	3,064
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	938	2,178	(420)	2,434
Net (loss)/gain on fair value changes of available-for-sale investment securities	(9)	2,070	(3,669)	3,688
Share of other comprehensive (loss)/income of an associate	(7)	(4)	(9)	3
Total other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	922	4,244	(4,098)	6,125
Total comprehensive income/(loss) for the period	4,350	7,146	(3,735)	9,189
Attributable to:				
Owners of the parent	3,660	5,647	(2,375)	7,328
Non-controlling interests	690	1,499	(1,360)	1,861
	4,350	7,146	(3,735)	9,189

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

**Condensed consolidated statement of financial position**  
**As at 30 June 2016**

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	442,147	443,725
Biological assets	40,000	40,000
Investments in associates	26,548	27,101
Investment in a joint venture	19,774	20,110
Investment securities	66,132	69,298
	<u>594,601</u>	<u>600,234</u>
<b>Current assets</b>		
Inventories	1,657	2,307
Receivables	7,000	6,951
Income tax recoverable	2,687	3,391
Cash and bank balances	116,043	117,122
	<u>127,387</u>	<u>129,771</u>
<b>Total assets</b>	<u>721,988</u>	<u>730,005</u>
<b>Current liabilities</b>		
Payables	<u>6,786</u>	<u>8,239</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<u>63,871</u>	<u>64,260</u>
<b>Total liabilities</b>	<u>70,657</u>	<u>72,499</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	70,202	70,202
Share premium	4,336	4,336
Other reserves	286,169	290,163
Retained profits	184,645	185,132
	<u>545,352</u>	<u>549,833</u>
<b>Non-controlling interests</b>	<u>105,979</u>	<u>107,673</u>
<b>Total equity</b>	<u>651,331</u>	<u>657,506</u>
<b>Total equity and liabilities</b>	<u>721,988</u>	<u>730,005</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>7.77</u>	<u>7.83</u>

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

Condensed consolidated statement of changes in equity  
for the six months ended 30 June 2016

	Equity attributable to owners of the parent, total		Share capital		Share premium		Retained profits		Other reserves, total		Non-Distributable					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	Asset revaluation reserve - land RM'000	Foreign currency translation reserve RM'000	Employee benefits reserve of a joint venture RM'000	Fair value adjustment reserve RM'000		
At 1 January 2015 (Restated)	595,209	496,618	70,202	4,336	182,565	239,515					221,247	2,307	53	15,908	98,591	
Profit for the period	3,064	2,512	-	-	2,512	-					-	-	-	-	552	
Other comprehensive income	6,125	4,816	-	-	-	4,816					-	2,209	-	2,607	1,309	
Revaluation reserve of leasehold land realised	-	-	-	-	758	(758)					(758)	-	-	-	-	
Transactions with owners																
Dividends paid to owners of the parent	(2,106)	(2,106)	-	-	(2,106)	-					-	-	-	-	-	
Dividends paid to non-controlling interests	(334)	-	-	-	-	-					-	-	-	-	(334)	
Total dividends, representing total transactions with owners	(2,440)	(2,106)	-	-	(2,106)	-					-	-	-	-	(334)	
At 30 June 2015 (Restated)	601,958	501,840	70,202	4,336	183,729	243,573					220,489	4,516	53	18,515	100,118	
At 1 January 2016	657,506	549,833	70,202	4,336	185,132	290,163					268,172	7,540	59	14,392	107,673	
Profit/(loss) for the period	363	710	-	-	710	-					-	-	-	-	(347)	
Other comprehensive loss	(4,098)	(3,085)	-	-	-	(3,085)					-	(433)	-	(2,652)	(1,013)	
Revaluation reserve of leasehold land realised	-	-	-	-	909	(909)					(909)	-	-	-	-	
Transactions with owners																
Dividends paid to owners of the parent	(2,106)	(2,106)	-	-	(2,106)	-					-	-	-	-	-	
Dividends paid to non-controlling interests	(334)	-	-	-	-	-					-	-	-	-	(334)	
Total dividends, representing total transactions with owners	(2,440)	(2,106)	-	-	(2,106)	-					-	-	-	-	(334)	
At 30 June 2016	651,331	545,362	70,202	4,336	184,645	286,169					267,263	7,107	59	11,740	105,979	

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

**Condensed consolidated statement of cash flows**  
**for the six months ended 30 June 2016**

	<b>30.6.2016</b>	<b>30.6.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit before tax	745	2,499
Adjustments		
Depreciation of property, plant and equipment (restated)	3,111	2,881
Dividend income	(1,119)	(1,061)
Gain on sale of property, plant and equipment	-	(13)
Interest income	(1,382)	(1,258)
Net fair value gain on available-for-sale securities (transferred from equity on disposal)	-	(317)
Share of results of associates	(344)	(1,431)
Share of results of a joint venture	804	525
Unrealised loss/(gain) on foreign exchange	446	(1,278)
Total adjustments	1,516	(1,952)
Operating cash flows before changes in working capital	2,261	547
Changes in working capital		
Decrease/(increase) in inventories	650	(1,554)
Decrease/(increase) in receivables	104	(1,993)
Decrease in payables	(1,453)	(138)
Total changes in working capital	(699)	(3,685)
Cash flows used in operations	1,562	(3,138)
Taxes paid	(67)	(1,701)
Net cash flows generated from/(used in) operating activities	1,495	(4,839)
<b>Investing activities</b>		
Dividends received	1,005	996
Interest received	1,229	1,280
Purchase of property, plant and equipment	(1,533)	(1,781)
Purchase of investment securities	(389)	(1,952)
Proceeds from sale of property, plant and equipment	-	13
Proceeds from sale of investment securities	-	1,730
Net cash flows generated from investing activities	312	286
<b>Financing activities</b>		
Dividends paid to owners of the parent	(2,106)	(2,106)
Dividends paid to non-controlling interests	(334)	(334)
Net cash flows used in financing activities	(2,440)	(2,440)
<b>Net decrease in cash and cash equivalents</b>	<b>(633)</b>	<b>(6,993)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(446)</b>	<b>1,278</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>116,787</b>	<b>117,965</b>
<b>Cash and cash equivalents at end of period</b>	<b>115,708</b>	<b>112,250</b>

**Notes to the interim financial report - 30 June 2016**

**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 2015.

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 2015 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 2016. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial statements of the Group.

The Group has not adopted those new standards, amendments to standards and interpretations that have been issued but not yet effective. The directors expect that the adoption of those new standards, amendments to standards and interpretations will not have a material impact on the financial statements in the period of initial application except as described below.

**FRS 9 Financial Instruments**

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but no impact on the classification and measurement of the Group's and the Company's 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.

**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).

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 2018.

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 2018. 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.

Under the FRS Framework, the Group's accounting policy for biological assets are disclosed in Note 2.11 to the financial statements for the financial year ended 31 December 2015. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) using either the cost model or revaluation model (after maturity). The amendments also require that agricultural produce, which is the harvested produce of an entity's biological assets will remain in the scope of MFRS 141 and are measured at fair value less costs to sell.

**Notes to the interim financial report - 30 June 2016**

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

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 2016 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 six months ended 30 June 2016:

	Hectares			
Mature	5,788			
Replanting and immature	1,385			
	<u>7,173</u>			
	Second financial quarter		Six months	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Production (m/t)				
fresh fruit bunches				
Own estates	27,281	33,861	49,863	58,271
Purchase	12,697	15,141	23,100	26,554
	<u>39,978</u>	<u>49,002</u>	<u>72,963</u>	<u>84,825</u>
Crude palm oil	5,603	7,129	10,124	11,954
Palm kernel	1,628	2,034	2,891	3,367
Extraction Rate				
Crude palm oil	18.33%	18.57%	18.38%	18.58%
Palm kernel	5.33%	5.30%	5.25%	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.

**Notes to the interim financial report - 30 June 2016**

**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 other than as described below:-

In the previous financial year ended 31 December 2015, the fair value of the freehold and leasehold land of the Group on 31 December 2015 had been incorporated into the financial statements for the financial year ended 31 December 2015. Retrospective adjustments had been made to the opening and closing balances in the financial statements to attribute the increase in fair value of the freehold and leasehold land of the Group to the respective financial years from 2012 to 2014.

The effects of the above adjustments to the financial statements for the second financial quarter and six months ended 30 June 2015 are summarised below:-

	Previously stated RM'000	Adjustment RM'000	Restated RM'000
Second financial quarter ended 30 June 2015			
Statements of profit or loss			
Cost of sales	(15,596)	(509)	(16,105)
Administrative expenses	(5,181)	186	(4,995)
Income tax credit	128	78	206
Earnings per stock unit (sen)	3.52	(0.27)	3.25
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Statements of comprehensive income			
Other comprehensive income	7,391	(245)	7,146
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Six months ended 30 June 2015			
Statements of profit or loss			
Cost of sales	(27,760)	(1,018)	(28,778)
Administrative expenses	(10,699)	372	(10,327)
Income tax credit	411	154	565
Earnings per stock unit (sen)	4.12	(0.54)	3.58
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Statements of comprehensive income			
Other comprehensive income	9,681	(492)	9,189
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Statements of changes in equity			
Revaluation reserve of leasehold land realised	373	385	758
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**A 5 Changes in debt and equity securities**

There were no issuances, repurchases and repayments of debts and equity securities for the six months ended 30 June 2016.

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

As at 30 June 2016, the Group did not have any financial liabilities measured at fair value through profit or loss.



**Notes to the interim financial report - 30 June 2016**

**A 7 Dividends paid**

The amount of dividends paid during the six months ended 30 June 2016:-

RM'000

First interim single tier dividend of 3% in respect of financial year ending 31 December 2016 paid on 30 June 2016

2,106

**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:

	Second financial quarter		Six months	
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Revenue from external customers	24,110	22,608	42,660	40,422
Revenue from major customers	16,773	15,541	34,010	31,757
Reportable segment profit/(loss)	798	(423)	(850)	(2,320)

Reportable segment's profit/(loss) are reconciled as follows:

Total profit/(loss) for reportable segment	798	(423)	(850)	(2,320)
Share of results of associates	543	961	344	1,431
Share of results of a joint venture	(11)	(272)	(804)	(525)
Interest income	787	624	1,382	1,258
Dividend income	890	900	1,119	1,061
Other income	818	906	-	1,594
Other expenses	-	-	(446)	-
Profit before tax	3,825	2,696	745	2,499

	30.6.2016 RM'000	31.12.2015 RM'000
Reportable segment assets	495,280	502,667

Reportable segment's assets are reconciled as follows:

Total assets for reportable segment	495,280	502,667
Investments in associates	26,548	27,101
Investment in a joint venture	19,774	20,110
Investment securities	66,132	69,298
Unallocated assets	114,254	110,829
Total assets	721,988	730,005

Reportable segment liabilities	6,786	8,239
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Reportable segment's liabilities are reconciled as follows:

Total liabilities for reportable segment	6,786	8,239
Deferred tax liabilities	63,871	64,260
Total liabilities	70,657	72,499

**Notes to the interim financial report - 30 June 2016**

**A 9 Property, plant and equipment**

There were no significant acquisitions and no disposals of property, plant and equipment for the six months ended 30 June 2016.

Capital commitments as at 30 June 2016:

	RM'000
Approved and contracted for	561
Approved and not contracted for	<u>2,996</u>

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

There were no material events subsequent to the second financial quarter that have not been reflected in the financial statements for the financial quarter ended 30 June 2016.

**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 2015.

**A 13 Related party disclosures**

	Six months 30.6.2016 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Marketing consultancy fee	271
Sale of oil palm produce	71
Purchase of oil palm produce	<u>431</u>
(b) A related corporation in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	9,257
Service charge on seedlings cultivation	39
Purchase of oil palm produce	<u>648</u>
(c) An associate in which certain directors and substantial shareholders have interests	
Management fee	<u>975</u>
	As at 30.6.2016 RM'000
(d) Included in receivables is an amount due from: -	
A related corporation in which certain directors and substantial shareholders have interests	<u>2,024</u>

**Notes to the interim financial report - 30 June 2016**

**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**

Second financial quarter ended 30 June 2016

Revenue in the current financial quarter under review increased by 6.64% to RM24,110,000 from RM22,608,000 in the same financial quarter a year ago. This was mainly due to increases in the average selling prices of ffb, crude palm oil and palm kernel even though the sales volume of ffb, crude palm oil and palm kernel decreased.

The production and purchase of ffb were lower. Correspondingly, the production of crude palm oil and palm kernel were lower.

As reported previously, harvesting of newly mature 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.

Overall, profit net of tax increased by 18.13% to RM3,428,000 from RM2,902,000 mainly due to improvement in revenue.

Six months 30 June 2016

Revenue in the six months period under review increased by 5.54% to RM42,660,000 from RM40,422,000 in the same period a year ago. This was mainly due to increases in the average selling prices of ffb, crude palm oil and palm kernel even though the sales volume of ffb, crude palm oil and palm kernel decreased.

The production and purchase of ffb were lower. Correspondingly, the production of crude palm oil and palm kernel were lower.

Other income was lower because there were amounts of gains on sale of quoted investments and foreign currency translation in the same period a year ago which did not recur in the current period under review.

Overall operating expenses were higher due mainly to increases in cost of ffb purchased and replanting expenses and an amount of loss on foreign currency translation.

The Group recorded a decrease in its share of results of associates mainly due to lower profit contributed from an associate engaged in trading in shares and stocks.

As reported previously, harvesting of newly mature 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.

Overall, profit net of tax decreased by 88.15% to RM363,000 from RM3,064,000 mainly due to a decrease in other income and an increase in overall operating expenses and a decrease in overall share of results of associates.

**Notes to the interim financial report - 30 June 2016**

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

Revenue in the current financial quarter under review increased by 29.97% from RM18,550,000 to RM24,110,000 in the immediate preceding quarter due mainly to increases in the average selling prices and sales volume of ffb, crude palm oil and palm kernel.

The production and purchase of ffb were higher. Correspondingly, the production of crude palm oil and palm kernel were higher.

Other income was higher mainly due to an amount of gains on foreign currency translation.

Overall operating expenses were higher due mainly to increase in cost of ffb purchased.

Overall, the Group recorded a profit before tax of RM3,825,000 as compared with a loss before tax of RM3,080,000 mainly due to substantial improvement in revenue and increases in dividend income and other income even though overall operating expenses were higher.

**B 3 Prospects for financial year ending 31 December 2016**

The overall financial performance for the financial year ending 31 December 2016 would be impacted by the volatility of the selling prices of crude palm oil and palm kernel and replanting activities.

**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**

	Second financial quarter 30.6.2016 RM'000	Six months 30.6.2016 RM'000
Current income tax	591	771
Deferred income tax	(194)	(389)
	<u>397</u>	<u>382</u>

The effective tax rate for the second financial quarter ended 30 June 2016 was lower than the statutory tax rate mainly due to certain income which were not assessable for income tax purpose. The effective tax rate for the six months period ended 30 June 2016 was higher than the statutory tax rate was mainly due to the effect of share of results of a joint venture and loss suffered by a subsidiary.

**Notes to the interim financial report - 30 June 2016**

**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.

As at 30 June 2016, the Group had subscribed 11,660,000 shares in Chin Thye Investment Pte Ltd for a total cash consideration of RM27,632,000.

There were no further subscription of shares during the six 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.

	30.6.2016
	RM'000
Remaining capital and investment outlay	<u>22,769</u>

**B 7 Borrowings and debt securities**

As at 30 June 2016, there were no borrowings and debt securities.

**B 8 Derivatives financial instruments**

There were no derivatives financial instruments transacted during the six months period ended 30 June 2016.

**B 9 Material litigation**

There were no material litigations as at 31 December 2015 and at the date of issue of this interim financial report.

**B 10 Dividends**

(i) A first interim single tier dividend of 3% in respect of the financial year ending 31 December 2016 was paid on 30 June 2016.

(ii) No further interim dividend has been declared in respect of the six months ended 30 June 2016.

(iii) The total dividends for the current financial year ending 31 December 2016:-

<u>Type of dividend</u>	%
First interim, single tier	<u>3.00</u>

(iv) The total dividends for the financial year ended 31 December 2015:-

<u>Type of dividend</u>	%
First interim, single tier	3.00
Second interim, single tier	<u>3.00</u>
	<u>6.00</u>

**Notes to the interim financial report - 30 June 2016**

**B 11 Earnings per stock unit**

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

	Second financial quarter		Six months	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Profit attributable to owners of the parent (RM'000)	2,941	2,282	710	2,512
Weighted average number of stock units ('000)	70,202	70,202	70,202	70,202
Earnings per stock unit (sen)				
Basic	4.19	3.25	1.01	3.58
Diluted	4.19	3.25	1.01	3.58

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 30.6.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	204,057	204,000
Unrealised	25,807	26,266
	<u>229,864</u>	<u>230,266</u>
Total share of retained profits/(accumulated losses) from associates		
Realised profits	4,868	4,062
Unrealised (losses)/profits	(355)	115
Total share of retained profits/(accumulated losses) from a joint venture		
Unrealised profits	4,399	4,474
Realised losses	(12,155)	(11,533)
	<u>226,621</u>	<u>227,384</u>
Less: consolidation adjustments	(41,976)	(42,252)
Total Group retained profits as per consolidated financial statements	<u>184,645</u>	<u>185,132</u>

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

**Notes to the interim financial report - 30 June 2016**

**B 13 Notes to condensed statement of comprehensive income**

	Second financial quarter 30.6.2016 RM'000	Six months 30.6.2016 RM'000
Interest income	787	1,382
Other income including investment income	890	1,119
Interest expense	-	-
Depreciation	(1,535)	(3,111)
Provision for and write off of receivables	-	-
Gain 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)	818	(446)
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 2015 was not qualified.

By Order of the Board

Gan Kok Tiong  
Company Secretary  
25 August 2016