

**Chin Teck Plantations Berhad (3250V)**  
**(Incorporated in Malaysia)**

**Condensed consolidated income statement**  
**for the third financial quarter and nine months ended 31 May 2012**

	Third		Nine months	
	financial quarter			
	31.5.2012	31.5.2011	31.5.2012	31.5.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	29,433	45,043	90,123	104,969
Cost of sales	(10,461)	(15,065)	(30,678)	(38,243)
Gross profit	18,972	29,978	59,445	66,726
Interest income	1,336	1,118	3,904	3,119
Dividend income	528	273	1,449	928
Other income	1,015	647	212	3,164
Selling expenses	(471)	(629)	(1,614)	(1,633)
Administrative expenses	(3,645)	(3,299)	(11,489)	(9,088)
Replanting expenses	(1,308)	(1,355)	(4,546)	(4,593)
Other expenses	-	-	(196)	-
Share of results of associates	1,542	4,307	3,669	10,886
Share of results of a jointly controlled entity	(529)	(249)	(1,119)	(1,188)
Profit before tax	17,440	30,791	49,715	68,321
Income tax expense	(3,868)	(6,607)	(11,661)	(14,156)
Profit net of tax	13,572	24,184	38,054	54,165
Earnings per stock unit (sen per stock unit)				
Basic	14.86	26.47	41.65	59.29
Diluted	14.86	26.47	41.65	59.29

**Chin Teck Plantations Berhad (3250V)**  
**(Incorporated in Malaysia)**

**Condensed consolidated statement of comprehensive income**  
**for the third financial quarter and nine months ended 31 May 2012**

	<b>Third</b>		<b>Nine months</b>	
	<b>31.5.2012</b>	<b>31.5.2011</b>	<b>31.5.2012</b>	<b>31.5.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit net of tax	13,572	24,184	38,054	54,165
Other comprehensive income:				
Foreign currency translation	1,729	(3,906)	(3,562)	(407)
Net (loss)/gain on fair value changes of available-for-sale investment securities	(1,723)	2,659	(880)	5,165
Share of other comprehensive loss of an associate	(15)	(4)	(24)	(12)
<b>Total comprehensive income for the period</b>	<b>13,563</b>	<b>22,933</b>	<b>33,588</b>	<b>58,911</b>

**Chin Teck Plantations Berhad (3250V)**  
**(Incorporated in Malaysia)**

**Condensed consolidated statement of financial position**  
**As at 31 May 2012**

	31.5.2012	31.8.2011
	RM'000	RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	40,556	40,559
Biological assets	74,225	74,225
Investments in associates	210,433	210,093
Investment in a jointly controlled entity	21,147	22,523
Investment securities	55,673	55,912
	<u>402,034</u>	<u>403,312</u>
<b>Current assets</b>		
Inventories	2,426	2,572
Receivables	7,532	7,625
Income tax recoverable	1,052	-
Cash and bank balances	216,723	198,216
	<u>227,733</u>	<u>208,413</u>
<b>Total assets</b>	<u>629,767</u>	<u>611,725</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Payables	5,115	6,999
Income tax payable	-	2,674
	<u>5,115</u>	<u>9,673</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<u>6,349</u>	<u>6,373</u>
<b>Total liabilities</b>	<u>11,464</u>	<u>16,046</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	91,363	91,363
Share premium	19,654	19,654
Other reserves	13,667	18,148
Retained profits	493,619	466,514
<b>Total equity</b>	<u>618,303</u>	<u>595,679</u>
<b>Total equity and liabilities</b>	<u>629,767</u>	<u>611,725</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>6.77</u>	<u>6.52</u>

**Chin Teck Plantations Berhad (3250V)**  
**(Incorporated in Malaysia)**

**Condensed consolidated statement of changes in equity**  
**for the nine months ended 31 May 2012**

	Non-distributable		Distributable		Non-distributable		
	Equity attributable to owners of the Company, total	Share capital	Share premium	Retained profits	Asset revaluation reserve - land and biological assets	Foreign currency translation reserve	Fair value adjustment reserve
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 September 2010	549,380	91,363	19,654	423,371	16,782	(16,204)	14,414
Revaluation reserve of leasehold land realised	-	-	-	15	(15)	-	-
Total comprehensive income	58,911	-	-	54,165	-	(407)	5,153
Transaction with owners	(12,334)	-	-	(12,334)	-	-	-
Dividends, representing total transaction with owners	595,957	91,363	19,654	465,217	16,767	(16,611)	19,567
At 31 May 2011	595,679	91,363	19,654	466,514	16,763	(14,503)	15,888
At 1 September 2011	-	-	-	15	(15)	-	-
Revaluation reserve of leasehold land realised	33,588	-	-	38,054	-	(3,562)	(904)
Total comprehensive income	(10,964)	-	-	(10,964)	-	-	-
Transaction with owners	618,303	91,363	19,654	493,619	16,748	(18,065)	14,984
Dividends, representing total transaction with owners							
At 31 May 2012							

**Chin Teck Plantations Berhad (3250V)**  
**(Incorporated in Malaysia)**

**Condensed consolidated statement of cash flows**  
**for the nine months ended 31 May 2012**

	<b>31.5.2012</b>	<b>31.5.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit before tax	49,715	68,321
Adjustments for:		
Depreciation for property, plant and equipment	1,095	998
Gain on sale of property, plant and equipment	(32)	-
Gross dividend income	(1,449)	(928)
Interest income	(3,904)	(3,119)
Net fair value loss on available-for-sale investment securities (transferred from equity on disposal)	28	-
Share of results of associates	(3,669)	(10,886)
Share of results of a jointly controlled entity	1,119	1,188
Unrealised loss/(gain) on foreign exchange	168	(1,739)
Total adjustments	<u>(6,644)</u>	<u>(14,486)</u>
Operating cash flows before changes in working capital	43,071	53,835
Changes in working capital		
Decrease/(increase) in inventories	146	(100)
receivables	33	(767)
Increase/(decrease) in payables	(1,884)	1,357
Total changes in working capital	<u>(1,705)</u>	<u>490</u>
Cash flows from operations	41,366	54,325
Taxes paid	(15,384)	(9,396)
Net cash flows from operating activities	<u>25,982</u>	<u>44,929</u>
<b>Investing activities</b>		
Interest received	3,964	3,060
Net dividends received	1,379	556
Purchase of property, plant and equipment	(1,461)	(1,413)
Purchase of investment securities	(2,538)	(4,192)
Proceeds from sale of property, plant and equipment	401	-
Proceeds from sale of investment securities	1,912	-
Net cash flows from/(used in) investing activities	<u>3,657</u>	<u>(1,989)</u>
<b>Financing activity</b>		
Dividends paid to owners of the Company, representing total cash flows used in financing activity	<u>(10,964)</u>	<u>(12,334)</u>
<b>Net increase in cash and cash equivalents</b>	18,675	30,606
<b>Effects of exchange rate changes on cash and cash equivalents</b>	(168)	1,739
<b>Cash and cash equivalents at beginning of period</b>	<u>197,142</u>	<u>172,142</u>
<b>Cash and cash equivalents at end of period</b>	<u>215,649</u>	<u>204,487</u>

**Notes to the interim financial report - 31 May 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 August 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 August 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 September 2011. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial statements of the Group.

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.

**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 2014.

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 August 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 ending 31 August 2012 could be different if prepared under the MFRS Framework.

**Notes to the interim financial report - 31 May 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 nine months ended 31 May 2012:

	Hectares			
Mature	8,393			
Replanting and immature	2,532			
	<u>10,925</u>			
	Third financial quarter		Nine months	
	31.5.2012	31.5.2011	31.5.2012	31.5.2011
Production (m/t)				
fresh fruit bunches				
Own	36,895	46,070	115,443	119,911
Purchase	2,227	8,899	10,188	21,065
	<u>39,122</u>	<u>54,969</u>	<u>125,631</u>	<u>140,976</u>
Crude palm oil	5,777	8,785	19,474	22,399
Palm kernel	1,683	2,599	5,554	6,585
Extraction Rate				
Crude palm oil	19.49%	19.49%	19.47%	19.33%
Palm kernel	5.68%	5.77%	5.55%	5.68%

**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 nine months ended 31 May 2012.

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

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

**A 7 Dividends paid**

The amount of dividend paid during the nine months ended 31 May 2012.

In respect of financial year ending 31 August 2012:

	RM'000
First interim dividend of 16% or 16 sen per stock unit less 25% taxation paid on 17 January 2012	<u>10,964</u>

**Notes to the interim financial report - 31 May 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 management monitors its operating results on group perspective basis. 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			
	Third financial quarter		Nine months	
	31.5.2012	31.5.2011	31.5.2012	31.5.2011
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	29,433	45,043	90,123	104,969
Revenue from major customers	21,957	34,986	67,263	85,251
Reportable segment profit	13,548	24,695	41,796	52,698

Reportable segment profit is reconciled as follows:

Total profit for reportable segment	13,548	24,695	41,796	52,698
Share of results of associates	1,542	4,307	3,669	10,886
Share of results of a jointly controlled entity	(529)	(249)	(1,119)	(1,188)
Interest income	1,336	1,118	3,904	3,119
Dividend income	528	273	1,449	928
Other income	1,015	647	212	1,878
Other expense	-	-	(196)	-
Profit before tax	17,440	30,791	49,715	68,321

	As at 31.5.2012	As at 31.8.2011
	RM'000	RM'000
Reportable segment assets	124,678	125,266
Reportable segment liabilities	5,115	6,999

Reportable segment's assets are reconciled as follows:

	As at 31.5.2012	As at 31.8.2011
	RM'000	RM'000
Total assets for reportable segment	124,678	125,266
Investments in associates	210,433	210,093
Investment in a jointly controlled entity	21,147	22,523
Investment securities	55,673	55,912
Unallocated assets	217,836	197,931
Total assets	629,767	611,725

Reportable segment's liabilities are reconciled as follows:

	As at 31.5.2012	As at 31.8.2011
	RM'000	RM'000
Total liabilities for reportable segment	5,115	6,999
Income tax payable	-	2,674
Deferred tax liabilities	6,349	6,373
Total liabilities	11,464	16,046



**Notes to the interim financial report - 31 May 2012**

**A 9 Property, plant and equipment**

There were no significant acquisitions and disposals of property, plant and equipment for the nine months ended 31 May 2012.

There were no commitments for the purchase of property, plant and equipment for the nine months ended 31 May 2012.

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

Other than the declaration of the second interim dividend as disclosed in Note B10, there were no material events subsequent to the third financial quarter that have not been reflected in the financial statements for the financial quarter ended 31 May 2012.

**A 11 Changes in composition of the Group**

There were no business combinations, acquisition or disposal of subsidiaries and long term investments (other than the purchase and sale of quoted 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 August 2011.

**A 13 Related party disclosures**

	Nine months 31.5.2012 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	5,203
Agency fee	18
	<hr/>
(b) Associate in which certain directors and substantial shareholders have interests	
Management fee	203
	<hr/>
(c) Person connected to certain directors	
Purchase of fertilisers	2,463
	<hr/>
	As at 31.5.2012 RM'000
(d) Included in payables are amount due to: -	
Associate in which certain directors and substantial shareholders have interests	4
Person connected to certain directors	25
	<hr/>

**Notes to the interim financial report - 31 May 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**

Third financial quarter ended 31 May 2012

Revenue decreased by 34.66% when compared with the previous corresponding financial quarter due mainly to lower average selling prices and sales volume of ffb, crude palm oil and palm kernel.

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

Overall operating expenses were lower due mainly to a decrease in the purchase of ffb.

Share of results of associates was lower due mainly to loss suffered by a joint venture engaged in oil palm plantation in Indonesia as routine harvestings were disrupted.

Overall profit net of tax decreased by 43.88% due mainly to lower revenue and the substantial decrease in profit contribution from the associates.

Nine months ended 31 May 2012

Revenue decreased by 14.14% when compared with the previous corresponding period due mainly to lower average selling prices of ffb, crude palm oil and palm kernel and sales volume of crude palm oil and palm kernel. However, the sales volume of ffb was higher.

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

Overall operating expenses were lower due mainly to a decrease in the purchase of ffb.

Other income was substantially lower mainly due to: -

(i) there was an amount of gain on foreign exchange in the previous corresponding period as compared with an amount of loss on foreign exchange in the current period under review.

(ii) in the previous corresponding period, the Company received an amount of replanting incentives from MPOB which did not recur in the current period under review.

Share of results of associates was lower due mainly to loss suffered by a joint venture engaged in oil palm plantation in Indonesia as routine harvestings were disrupted since the second financial quarter.

Overall profit net of tax decreased by 29.74% due mainly to lower revenue and the substantial decrease in profit contribution from the associates.

**Notes to the interim financial report - 31 May 2012**

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

Revenue in the third financial quarter under review increased by 4.29% when compared with the immediate preceding financial quarter due mainly to higher average selling prices of ffb , crude palm oil and palm kernel and sales volume of ffb. However, the sales volume of crude palm oil and palm kernel were lower.

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

Overall operating expenses were lower due mainly to a decrease in administrative expenses.

Other income was higher mainly due to an amount of gain on foreign exchange in the current financial quarter as compared with an amount of loss on foreign exchange in the immediate preceding financial quarter.

Share of results of associates was higher due mainly to an overall profit contribution from joint ventures engaged in oil palm plantation in Indonesia as compared with an overall loss suffered in the immediate preceding financial quarter.

Overall profit before tax increased by 41.39% due mainly to higher revenue, decrease in overall operating expenses and an increase in overall share of results of associates.

**B 3 Prospects for financial year ending 31 August 2012**

The average selling price of crude palm oil in the fourth financial quarter is expected to remain firm and this would have a corresponding effect on the plantation profit for the fourth financial quarter. Overall, profit for the financial year ending 31 August 2012 would be lower than that achieved in the previous financial year.

**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**

	Third financial quarter 31.5.2012 RM'000	Nine months 31.5.2012 RM'000
Income tax:		
Current provision	3,867	11,676
Underprovision in respect of previous year	9	9
	<hr/> 3,876	<hr/> 11,685
Deferred taxation	(8)	(24)
	<hr/> 3,868	<hr/> 11,661

The effective tax rate for the third financial quarter and nine months period under review is lower than the statutory rate due mainly to the effect of share of results of associates and certain income which are not assessable for income tax purpose.

**B 6 Borrowings and debt securities**

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

**Notes to the interim financial report - 31 May 2012**

**B 7 Status of corporate proposals**

On 10 April 2006, the Company entered into a conditional joint venture and shareholders agreement with Negri Sembilan Oil Palms Berhad ('NSOP'), Timor Oil Palm Plantation Berhad, a 58.0% owned subsidiary of NSOP, Eng Thye Plantations Berhad, an 83.3% owned subsidiary of NSOP, Seong Thye Plantations Sdn Bhd 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 Company in Chin Thye Investment Pte Ltd in the previous financial years are as follows:-

Financial year	No. of shares	Amount (RM'000)
31.8.2006	7,200,000	16,898
31.8.2007	-	-
31.8.2008	3,400,000	8,140
31.8.2009	1,060,000	2,547
31.8.2010	-	-
31.8.2011	-	-
	<u>11,660,000</u>	<u>27,585</u>

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

**B 8 Derivatives financial instruments**

There were no derivatives financial instruments transacted during the nine months period ended 31 May 2012.

**B 9 Material litigation**

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

**Notes to the interim financial report - 31 May 2012**

**B 10 Dividends**

- (i) A second interim dividend in respect of the financial year ending 31 August 2012 has been declared by the Board of Directors.
- (ii) The amount per stock unit: 24% or 24 sen per stock unit less 25% taxation.
- (iii) The date payable for the second interim dividend of 24% or 24 sen per stock unit less 25% taxation: 30 August 2012
- (iv) In respect of deposited securities, entitlement to the second interim dividend of 24% or 24 sen per stock unit less 25% taxation will be determined on the basis of the record of depositors as at 15 August 2012.
- (v) The total dividends for the current financial year ending 31 August 2012:-

Type of dividend	Gross	Tax	Net
	%	%	%
First interim	16.00	25.00	12.00
Second interim	24.00	25.00	18.00
	40.00	25.00	30.00

- (vi) The total dividends for the previous financial year ended 31 August 2011:-

Type of dividend	Gross	Tax	Net
	%	%	%
First interim	18.00	25.00	13.50
Second interim	30.00	25.00	22.50
	48.00	25.00	36.00

**B 11 Earnings per stock unit**

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

	Third Financial Quarter		Nine Months	
	31.5.2012	31.5.2011	31.5.2012	31.5.2011
Profit attributable to owners of the Company (RM'000)	13,572	24,184	38,054	54,165
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	14.86	26.47	41.65	59.29
Diluted	14.86	26.47	41.65	59.29

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 May 2012**

**B 12 Realised and unrealised profit/losses disclosure**

	As at 31.5.2012 RM'000	As at 31.8.2011 RM'000
Total retained profits of the Company and its subsidiary		
Realised	431,617	406,858
Unrealised	1,942	2,147
	<u>433,559</u>	<u>409,005</u>
Total share of retained profits/(accumulated losses) from associates		
Realised	65,741	62,191
Unrealised	66	(53)
Total share of accumulated losses from a jointly controlled entity		
Realised	(5,634)	(4,515)
Unrealised	(113)	(114)
	<u>493,619</u>	<u>466,514</u>
Less: consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	<u>493,619</u>	<u>466,514</u>

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

	Third financial quarter 31.5.2012 RM'000	Nine months 31.5.2012 RM'000
Interest income	1,336	3,904
Other income including investment income	528	1,449
Interest expense	-	-
Depreciation	(384)	(1,095)
Provision for and write off of receivables	-	-
Gain/(loss) on disposal of quoted investments	16	(28)
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	930	(168)
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 August 2011 was not qualified.

By Order of the Board

Gan Kok Tiong  
 Company Secretary  
 30 July 2012