

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

Condensed consolidated income statement
for the fourth financial quarter and twelve months ended 31 August 2012

| | Fourth financial quarter | | Twelve months | |
|---|-----------------------------|---------------------|---------------------|---------------------|
| | 31.8.2012 RM'000 | 31.8.2011 RM'000 | 31.8.2012 RM'000 | 31.8.2011 RM'000 |
| Revenue | 29,101 | 38,374 | 119,224 | 143,343 |
| Cost of sales | (8,601) | (12,116) | (39,279) | (50,359) |
| Gross profit | 20,500 | 26,258 | 79,945 | 92,984 |
| Interest income | 1,452 | 1,325 | 5,356 | 4,444 |
| Dividend income | 610 | 840 | 2,059 | 1,768 |
| Other income | 1,936 | 768 | 1,952 | 3,932 |
| Selling expenses | (475) | (614) | (2,089) | (2,247) |
| Administrative expenses | (3,813) | (3,150) | (15,302) | (12,238) |
| Replanting expenses | (1,304) | (1,697) | (5,850) | (6,290) |
| Other expenses | (158) | - | (158) | - |
| Share of results of associates | (201) | 4,313 | 3,468 | 15,199 |
| Share of results of a jointly controlled entity | 137 | (592) | (982) | (1,780) |
| Profit before tax | 18,684 | 27,451 | 68,399 | 95,772 |
| Income tax expense | (4,063) | (5,602) | (15,724) | (19,758) |
| Profit net of tax | 14,621 | 21,849 | 52,675 | 76,014 |
| Earnings per stock unit (sen per stock unit) | | | | |
| Basic | 16.00 | 23.91 | 57.65 | 83.20 |
| Diluted | 16.00 | 23.91 | 57.65 | 83.20 |

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

Condensed consolidated statement of comprehensive income
for the fourth financial quarter and twelve months ended 31 August 2012

| | Fourth | | Twelve months | |
|--|------------------|------------------|----------------------|------------------|
| | 31.8.2012 | 31.8.2011 | 31.8.2012 | 31.8.2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit net of tax | 14,621 | 21,849 | 52,675 | 76,014 |
| Other comprehensive income: | | | | |
| Foreign currency translation | (3,153) | 2,109 | (6,715) | 1,701 |
| Net gain/(loss) on fair value changes of available-for-sale investment securities | 2,659 | (3,678) | 1,779 | 1,487 |
| Share of other comprehensive income/(loss) of an associate | 2 | (1) | (22) | (13) |
| Total comprehensive income for the period | 14,129 | 20,279 | 47,717 | 79,189 |

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

Condensed consolidated statement of financial position
As at 31 August 2012

| | 31.8.2012 | 31.8.2011 |
|--|------------------|------------------|
| | RM'000 | RM'000 |
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 41,445 | 40,559 |
| Biological assets | 74,225 | 74,225 |
| Investments in associates | 207,690 | 210,093 |
| Investment in a jointly controlled entity | 20,675 | 22,523 |
| Investment securities | 58,736 | 55,912 |
| | <u>402,771</u> | <u>403,312</u> |
| Current assets | | |
| Inventories | 2,676 | 2,572 |
| Receivables | 7,798 | 7,625 |
| Income tax recoverable | 174 | - |
| Cash and bank balances | 215,647 | 198,216 |
| | <u>226,295</u> | <u>208,413</u> |
| Total assets | <u>629,066</u> | <u>611,725</u> |
| Equity and liabilities | | |
| Current liabilities | | |
| Payables | 6,872 | 6,999 |
| Income tax payable | - | 2,674 |
| | <u>6,872</u> | <u>9,673</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 6,207 | 6,373 |
| Total liabilities | <u>13,079</u> | <u>16,046</u> |
| Equity attributable to owners of the Company | | |
| Share capital | 91,363 | 91,363 |
| Share premium | 19,654 | 19,654 |
| Other reserves | 13,171 | 18,148 |
| Retained profits | 491,799 | 466,514 |
| Total equity | <u>615,987</u> | <u>595,679</u> |
| Total equity and liabilities | <u>629,066</u> | <u>611,725</u> |
| Net assets per stock unit attributable to owners of the Company (RM) | <u>6.74</u> | <u>6.52</u> |

**Condensed consolidated statement of changes in equity
for the twelve months ended 31 August 2012**

| | Non-distributable | | Distributable | | Non-distributable | | |
|---|---|----------------------------|----------------------------|-------------------------------|---|---|---|
| | Equity attributable to owners of the Company, total RM'000 | Share capital RM'000 | Share premium RM'000 | Retained profits RM'000 | Asset revaluation reserve - land and biological assets RM'000 | Foreign currency translation reserve RM'000 | Fair value adjustment reserve 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 | - | - | - | 19 | (19) | - | - |
| Total comprehensive income | 79,189 | - | - | 76,014 | - | 1,701 | 1,474 |
| Transaction with owners | (32,890) | - | - | (32,890) | - | - | - |
| Dividends, representing total transaction with owners | 595,679 | 91,363 | 19,654 | 466,514 | 16,763 | (14,503) | 15,888 |
| At 31 August 2011 | 595,679 | 91,363 | 19,654 | 466,514 | 16,763 | (14,503) | 15,888 |
| At 1 September 2011 | 595,679 | 91,363 | 19,654 | 466,514 | 16,763 | (14,503) | 15,888 |
| Revaluation reserve of leasehold land realised | - | - | - | 19 | (19) | - | - |
| Total comprehensive income | 47,717 | - | - | 52,675 | - | (6,715) | 1,757 |
| Transaction with owners | (27,409) | - | - | (27,409) | - | - | - |
| Dividends, representing total transaction with owners | 615,987 | 91,363 | 19,654 | 491,799 | 16,744 | (21,218) | 17,645 |
| At 31 August 2012 | 615,987 | 91,363 | 19,654 | 491,799 | 16,744 | (21,218) | 17,645 |

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

Condensed consolidated statement of cash flows
for the twelve months ended 31 August 2012

| | 31.8.2012 | 31.8.2011 |
|--|------------------|------------------|
| | RM'000 | RM'000 |
| Operating activities | | |
| Profit before tax | 68,399 | 95,772 |
| Adjustments for: | | |
| Depreciation for property, plant and equipment | 1,560 | 1,360 |
| Gain on sale of property, plant and equipment | (67) | (237) |
| Gross dividend income | (2,059) | (1,768) |
| Interest income | (5,356) | (4,444) |
| Net fair value gain on available-for-sale investment securities (transferred from equity on disposal) | (1,458) | - |
| Property, plant and equipment written off | 158 | - |
| Share of results of associates | (3,468) | (15,199) |
| Share of results of a jointly controlled entity | 982 | 1,780 |
| Unrealised gain on foreign exchange | (145) | (2,215) |
| Total adjustments | <u>(9,853)</u> | <u>(20,723)</u> |
| Operating cash flows before changes in working capital | 58,546 | 75,049 |
| Changes in working capital | | |
| Decrease/(increase) in | | |
| inventories | (104) | (126) |
| receivables | (188) | 1,083 |
| (Decrease)/increase in payables | (127) | 107 |
| Total changes in working capital | <u>(419)</u> | <u>1,064</u> |
| Cash flows from operations | 58,127 | 76,113 |
| Taxes paid | (18,684) | (18,517) |
| Net cash flows from operating activities | <u>39,443</u> | <u>57,596</u> |
| Investing activities | | |
| Interest received | 5,371 | 4,303 |
| Net dividends received | 1,922 | 962 |
| Purchase of property, plant and equipment | (2,921) | (2,742) |
| Purchase of investment securities | (4,128) | (4,782) |
| Placements of fixed deposits pledged to banks | (30) | (26) |
| Proceeds from sale of property, plant and equipment | 384 | 364 |
| Proceeds from sale of investment securities | 4,624 | - |
| Net cash flows from/(used in) investing activities | <u>5,222</u> | <u>(1,921)</u> |
| Financing activity | | |
| Dividends paid to owners of the Company, representing total cash flows used in financing activity | <u>(27,409)</u> | <u>(32,890)</u> |
| Net increase in cash and cash equivalents | 17,256 | 22,785 |
| Effects of exchange rate changes on cash and cash equivalents | 145 | 2,215 |
| Cash and cash equivalents at beginning of period | <u>197,142</u> | <u>172,142</u> |
| Cash and cash equivalents at end of period | <u>214,543</u> | <u>197,142</u> |

Notes to the interim financial report - 31 August 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 any significant financial impact on the Group, except for the following:

Amendments to FRS 7 Improving Disclosure about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurement is required. Any significant transfers between levels of fair value hierarchy and the reasons for those transfers need to be disclosed.

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.

The Group has not adopted all the standards and interpretations that have been issued but not yet effective. The directors expect that the adoption of those standards and interpretations will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group and the Company's financial position or performance.

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 and the Company's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group and the Company are in the process of making an assessment of the impact of adoption of FRS 9.

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 entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

Notes to the interim financial report - 31 August 2012

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 entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS 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 FRS when fair value is required or permitted. The Group and the Company are currently assessing the impact of adoption of FRS 13.

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.

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 and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (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.

The Group considers that it is achieving its schedules milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 August 2015.

Notes to the interim financial report - 31 August 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 twelve months ended 31 August 2012:

| | Hectares | | | |
|-------------------------|--------------------------|---------------|----------------|----------------|
| Mature | 8,383 | | | |
| Replanting and immature | 2,542 | | | |
| | <u>10,925</u> | | | |
| | Fourth financial quarter | | Twelve months | |
| | 31.8.2012 | 31.8.2011 | 31.8.2012 | 31.8.2011 |
| Production (m/t) | | | | |
| fresh fruit bunches | | | | |
| Own | 42,204 | 40,235 | 157,647 | 160,146 |
| Purchase | 1,774 | 7,614 | 11,962 | 28,679 |
| | <u>43,978</u> | <u>47,849</u> | <u>169,609</u> | <u>188,825</u> |
| Crude palm oil | 6,299 | 7,761 | 25,773 | 30,160 |
| Palm kernel | 1,709 | 2,006 | 7,263 | 8,591 |
| Extraction Rate | | | | |
| Crude palm oil | 19.08% | 20.29% | 19.37% | 19.57% |
| Palm kernel | 5.18% | 5.25% | 5.46% | 5.57% |

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 August 2012.

A 6 Fair value changes of financial liabilities

As at 31 August 2012, 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 August 2012.

In respect of financial year ended 31 August 2012:

| | |
|---|---------------|
| | RM'000 |
| First interim dividend of 16% less 25% taxation paid on 17 January 2012 | 10,964 |
| Second interim dividend of 24% less 25% taxation paid on 30 August 2012 | 16,445 |
| | <u>27,409</u> |

Notes to the interim financial report - 31 August 2012

A 8 Segment information

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The Group's principal activities involve predominantly the cultivation of oil palms, production and sale of fresh fruits bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

The segment information are as follows:

| | Oil palm plantation | | | |
|---|--------------------------|-----------|---------------|-----------|
| | Fourth financial quarter | | Twelve months | |
| | 31.8.2012 | 31.8.2011 | 31.8.2012 | 31.8.2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue from external customers | 29,101 | 38,374 | 119,224 | 143,343 |
| Revenue from major customers | 23,699 | 25,523 | 90,963 | 116,114 |
| Reportable segment profit | 15,190 | 20,797 | 56,986 | 73,495 |
| Reportable segment profit is reconciled as follows: | | | | |
| Total profit for reportable segment | 15,190 | 20,797 | 56,986 | 73,495 |
| Share of results of associates | (201) | 4,313 | 3,468 | 15,199 |
| Share of results of a jointly controlled entity | 137 | (592) | (982) | (1,780) |
| Interest income | 1,452 | 1,325 | 5,356 | 4,444 |
| Dividend income | 610 | 840 | 2,059 | 1,768 |
| Other income | 1,654 | 768 | 1,670 | 2,646 |
| Other expense | (158) | - | (158) | - |
| Profit before tax | 18,684 | 27,451 | 68,399 | 95,772 |

| | As at 31.8.2012 RM'000 | As at 31.8.2011 RM'000 |
|--------------------------------|------------------------------|------------------------------|
| Reportable segment assets | 126,724 | 125,266 |
| Reportable segment liabilities | 6,872 | 6,999 |

Reportable segment's assets are reconciled as follows:

| | As at 31.8.2012 RM'000 | As at 31.8.2011 RM'000 |
|---|------------------------------|------------------------------|
| Total assets for reportable segment | 126,724 | 125,266 |
| Investments in associates | 207,690 | 210,093 |
| Investment in a jointly controlled entity | 20,675 | 22,523 |
| Investment securities | 58,736 | 55,912 |
| Unallocated assets | 215,241 | 197,931 |
| Total assets | 629,066 | 611,725 |

Reportable segment's liabilities are reconciled as follows:

| | As at 31.8.2012 RM'000 | As at 31.8.2011 RM'000 |
|--|------------------------------|------------------------------|
| Total liabilities for reportable segment | 6,872 | 6,999 |
| Income tax payable | - | 2,674 |
| Deferred tax liabilities | 6,207 | 6,373 |
| Total liabilities | 13,079 | 16,046 |

Notes to the interim financial report - 31 August 2012

A 9 Property, plant and equipment

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

Capital commitments as at 31 August 2012: -

| | |
|---------------------------------|-----------------|
| Approved but not contracted for | RM'000 4,298 |
|---------------------------------|-----------------|

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 August 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

| | Twelve months 31.8.2012 RM'000 |
|--|--------------------------------------|
| (a) Companies in which certain directors and substantial shareholders have interests | |
| Sale of oil palm produce | 5,203 |
| Agency fee | 23 |
| | <hr/> |
| (b) Associate in which certain directors and substantial shareholders have interests | |
| Management fee | 271 |
| | <hr/> |
| (c) Person connected to certain directors and a substantial shareholder | |
| Purchase of fertilisers | 2,700 |
| | <hr/> |
| | As at 31.8.2012 RM'000 |
| (d) Included in payables are amount due to: - | |
| Associate in which certain directors and substantial shareholders have interests | 12 |
| Person connected with certain directors and a substantial shareholder | 47 |
| | <hr/> |

Notes to the interim financial report - 31 August 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

(a) Fourth financial quarter ended 31 August 2012

Revenue decreased by 24.16% when compared with the previous corresponding financial quarter 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 even though the sales volume of ffb was higher.

The production of ffb was higher. However, the production of crude palm oil and palm kernel were lower due mainly to a decrease in the purchase of ffb.

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

Other income was higher due mainly to an amount of net fair value gain on available-for-sale investment securities transferred from equity on disposal.

The Group suffered an overall loss in its share of results of associates due to loss suffered by the joint ventures engaged in oil palm plantation located in Lampung Province, Indonesia as the joint ventures encountered a suspension in routine harvesting since second financial quarter due to unrest in the villages located in the vicinity of the plantations. Certain inventories and estates properties, excluding biological assets, were damaged during the disturbances. An amount of RM907,000 representing the Group's share of the carrying amount of identifiable assets which were damaged during the disturbances has been recognised and included in share of results of associates in the income statement. The directors are of the view that the suspension of the routine harvesting activities are temporary and is expected not to prolong. Appropriate actions are being taken by the management of the joint ventures together with the relevant authorities and law enforcement agencies to resume the harvesting activities.

The positive contribution from a jointly controlled entity was mainly due to gain on foreign exchange.

Overall profit net of tax decreased by 33.08% due mainly to lower revenue and an overall loss in share of results of associates.

(b) Twelve months ended 31 August 2012

Revenue decreased by 16.83% when compared with the previous corresponding financial year 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 even though 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.

Even though there was an amount of net fair value gain on available-for-sale investment securities transferred from equity on disposal, however, other income was substantially lower mainly due to:

- (i) a decrease in the amount of gain on foreign exchange
- (ii) in the previous corresponding period, the Company received an amount of replanting incentives which did not recur in the current period under review.

Share of results of associates was lower due mainly to loss suffered by the joint ventures engaged in oil palm plantation located at Lampung Province, Indonesia as mentioned in Note B1(a).

Overall profit net of tax decreased by 30.70% due mainly to lower revenue and the substantial decrease in profit contribution from the associates.

Notes to the interim financial report - 31 August 2012

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

Revenue in the fourth financial quarter under review decreased by 1.13% when compared with the immediate preceding financial quarter 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 even though the sales volume of ffb was higher.

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

Overall operating expenses were lower due mainly to a decrease in the amount of fertiliser applied in the current financial quarter under review since fertiliser application was actively carried out in the preceding quarter.

Other income was higher mainly due to an amount of net fair value gain on available-for-sale investment securities transferred from equity on disposal even though the amount of gain on foreign exchange was lower.

The Group suffered an overall loss in its share of results of associates due to loss suffered by the joint ventures engaged in oil palm plantation located at Lampung Province, Indonesia as mentioned in Note B1.

The positive contribution from a jointly controlled entity was mainly due to gain on foreign exchange.

Overall profit before tax increased by 7.13% due mainly to decrease in overall operating expenses, an increase in other income and a positive contribution from a jointly controlled entity.

B 3 Prospects for financial year ending 31 August 2013

The average selling prices of ffb, crude palm oil and palm kernel have weakened since the end of the fourth financial quarter ended 31 August 2012 and it will affect the financial performance for the financial year ending 31 August 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 31.8.2012 RM'000 | Twelve months 31.8.2012 RM'000 |
|---|--|--------------------------------------|
| Income tax: | | |
| Current provision | 4,205 | 15,881 |
| Under provision in respect of previous year | - | 9 |
| | <u>4,205</u> | <u>15,890</u> |
| Deferred taxation | (142) | (166) |
| | <u>4,063</u> | <u>15,724</u> |

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

Notes to the interim financial report - 31 August 2012

B 6 Borrowings and debt securities

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

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:-

| <u>Financial year</u> | <u>No. of shares</u> | <u>Amount (RM'000)</u> |
|-----------------------|----------------------|----------------------------|
| 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 twelve months period under review and the period since the end of the fourth 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 twelve months period ended 31 August 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 August 2012

B 10 Dividends

- (i) A first interim dividend of 16% less 25% taxation and a second interim dividend of 24% less 25% taxation in respect of the financial year ended 31 August 2012 were paid during the financial year.

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 August 2012.

- (ii) The total dividends for the current financial year ended 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 |

- (iii) 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: -

| | Fourth financial quarter | | Twelve months | |
|---|--------------------------|-----------|---------------|-----------|
| | 31.8.2012 | 31.8.2011 | 31.8.2012 | 31.8.2011 |
| Profit attributable to owners of the Company (RM'000) | 14,621 | 21,849 | 52,675 | 76,014 |
| Weighted average number of stock units ('000) | 91,363 | 91,363 | 91,363 | 91,363 |
| Earnings per stock unit (sen) | | | | |
| Basic | 16.00 | 23.91 | 57.65 | 83.20 |
| Diluted | 16.00 | 23.91 | 57.65 | 83.20 |

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 August 2012

B 12 Realised and unrealised profit/losses disclosure

| | As at 31.8.2012 RM'000 | As at 31.8.2011 RM'000 |
|---|------------------------------|------------------------------|
| Total retained profits of the Company and its subsidiary | | |
| Realised | 430,457 | 406,858 |
| Unrealised | 1,347 | 2,147 |
| | <u>431,804</u> | <u>409,005</u> |
| Total share of retained profits/(accumulated losses) from associates | | |
| Realised | 65,540 | 62,191 |
| Unrealised | 66 | (53) |
| Total share of (accumulated losses)/retained profits from a jointly controlled entity | | |
| Realised | (5,976) | (4,515) |
| Unrealised | 365 | (114) |
| | <u>491,799</u> | <u>466,514</u> |
| Less: consolidation adjustments | - | - |
| Total Group retained profits as per consolidated accounts | <u>491,799</u> | <u>466,514</u> |

B 13 Notes to condensed statement of comprehensive income

| | Fourth financial quarter 31.8.2012 RM'000 | Twelve months 31.8.2012 RM'000 |
|---|--|--------------------------------------|
| Interest income | 1,452 | 5,356 |
| Other income including investment income | 610 | 2,059 |
| Interest expense | - | - |
| Depreciation | (465) | (1,560) |
| Provision for and write off of receivables | - | - |
| Gain/(loss) on disposal of quoted investments | 1,486 | 1,458 |
| Gain/(loss) on disposal of unquoted investments | - | - |
| Gain/(loss) on disposal of properties | - | - |
| Impairment of assets | - | - |
| Foreign exchange gain or (loss) | 313 | 145 |
| 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 August 2011 was not qualified.

By Order of the Board

Gan Kok Tiong
 Company Secretary
 31 October 2012