

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

Condensed consolidated income statement
for the second financial quarter and six months ended 28 February 2013

	Second		Six months	
	financial quarter			
	28.2.2013	29.2.2012	28.2.2013	29.2.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	20,729	28,223	50,343	60,690
Cost of sales	(10,136)	(9,470)	(18,691)	(20,217)
Gross profit	10,593	18,753	31,652	40,473
Interest income	1,422	1,284	2,779	2,568
Dividend income	112	464	539	921
Other income	215	35	317	146
Selling expenses	(525)	(541)	(1,159)	(1,143)
Administrative expenses	(5,352)	(4,892)	(9,230)	(7,844)
Replanting expenses	(1,432)	(2,171)	(3,033)	(3,238)
Other expenses	-	(776)	(56)	(1,145)
Share of results of associates	(2,489)	484	(3,324)	2,127
Share of results of a jointly controlled entity	(875)	(305)	(1,208)	(590)
Profit before tax	1,669	12,335	17,277	32,275
Income tax expense	(1,134)	(3,150)	(5,160)	(7,793)
Profit net of tax	535	9,185	12,117	24,482
Earnings per stock unit (sen per stock unit)				
Basic	0.59	10.05	13.26	26.80
Diluted	0.59	10.05	13.26	26.80

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

Condensed consolidated statement of comprehensive income
for the second financial quarter and six months ended 28 February 2013

	Second		Six months	
	financial quarter			
	28.2.2013	29.2.2012	28.2.2013	29.2.2012
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	535	9,185	12,117	24,482
Other comprehensive income/(loss):				
Foreign currency translation	803	(5,568)	(1,328)	(5,291)
Net gain on fair value changes of available-for-sale investment securities	1,937	4,098	2,683	843
Share of other comprehensive income/(loss) of an associate	10	-	8	(9)
	<u>2,750</u>	<u>(1,470)</u>	<u>1,363</u>	<u>(4,457)</u>
Total comprehensive income for the period	<u>3,285</u>	<u>7,715</u>	<u>13,480</u>	<u>20,025</u>

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

Condensed consolidated statement of financial position
As at 28 February 2013

	28.2.2013	31.8.2012
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	41,048	41,445
Biological assets	74,225	74,225
Investments in associates	198,806	207,690
Investment in a jointly controlled entity	20,107	20,675
Investment securities	68,062	58,736
	<u>402,248</u>	<u>402,771</u>
Current assets		
Inventories	4,158	2,676
Receivables	6,217	7,798
Income tax recoverable	927	174
Cash and bank balances	219,409	215,647
	<u>230,711</u>	<u>226,295</u>
Total assets	<u>632,959</u>	<u>629,066</u>
Equity and liabilities		
Current liabilities		
Payables	6,207	6,872
Income tax payable	2	-
	<u>6,209</u>	<u>6,872</u>
Non-current liabilities		
Deferred tax liabilities	6,191	6,207
Total liabilities	<u>12,400</u>	<u>13,079</u>
Equity attributable to owners of the Company		
Share capital	91,363	91,363
Share premium	19,654	19,654
Other reserves	14,524	13,171
Retained profits	495,018	491,799
Total equity	<u>620,559</u>	<u>615,987</u>
Total equity and liabilities	<u>632,959</u>	<u>629,066</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>6.79</u>	<u>6.74</u>

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

Condensed consolidated statement of changes in equity
for the six months ended 28 February 2013

	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 2011	595,679	91,363	19,654	466,514	16,763	(14,503)	15,888
Revaluation reserve of leasehold land realised	-	-	-	10	(10)	-	-
Total comprehensive income	20,025	-	-	24,482	-	(5,291)	834
Transaction with owners	(10,964)	-	-	(10,964)	-	-	-
Dividends, representing total transaction with owners	604,740	91,363	19,654	480,042	16,753	(19,794)	16,722
At 29 February 2012	615,987	91,363	19,654	491,799	16,744	(21,218)	17,645
Revaluation reserve of leasehold land realised	-	-	-	10	(10)	-	-
Total comprehensive income	13,480	-	-	12,117	-	(1,328)	2,691
Transaction with owners	(8,908)	-	-	(8,908)	-	-	-
Dividends, representing total transaction with owners	620,559	91,363	19,654	495,018	16,734	(22,546)	20,336
At 28 February 2013							

Chin Teck Plantations Berhad (3250V)
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Condensed consolidated statement of cash flows
for the six months ended 28 February 2013

	28.2.2013	29.2.2012
	RM'000	RM'000
Operating activities		
Profit before tax	17,277	32,275
Adjustments for:		
Depreciation for property, plant and equipment	879	711
Gain on sale of property, plant and equipment	-	(14)
Gross dividend income	(539)	(921)
Interest income	(2,779)	(2,568)
(Gain)/loss on sale of available-for-sale investment securities	(88)	44
Property, plant and equipment written off	56	-
Share of results of associates	3,324	(2,127)
Share of results of a jointly controlled entity	1,208	590
Unrealised (gain)/loss on foreign exchange	(212)	1,098
Total adjustments	1,849	(3,187)
Operating cash flows before changes in working capital	19,126	29,088
Changes in working capital		
(Increase)/decrease in		
inventories	(1,482)	(733)
receivables	1,512	1,119
(Decrease)/increase in payables	(665)	300
Total changes in working capital	(635)	686
Cash flows from operations	18,491	29,774
Taxes paid	(5,903)	(10,290)
Net cash flows from operating activities	12,588	19,484
Investing activities		
Interest received	2,848	2,659
Net dividends received from an associate	3,600	-
Net dividends received from investment securities	463	856
Purchase of property, plant and equipment	(538)	(929)
Purchase of investment securities	(7,136)	(1,819)
Proceeds from sale of property, plant and equipment	-	138
Proceeds from sale of investment securities	633	1,295
Net cash flows (used in)/from investing activities	(130)	2,200
Financing activity		
Dividends paid to owners of the Company, representing total cash flows used in financing activity	(8,908)	(10,964)
Net increase in cash and cash equivalents	3,550	10,720
Effects of exchange rate changes on cash and cash equivalents	212	(1,098)
Cash and cash equivalents at beginning of period	214,543	197,142
Cash and cash equivalents at end of period	218,305	206,764

Notes to the interim financial report - 28 February 2013

A Explanatory notes - FRS 134 : Interim Financial Reporting

A 1 Basis of preparation

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

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

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the financial year ended 31 August 2012 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 2012. The adoption of these standards, amendments and interpretations do not have any significant financial impact on 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 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 2013 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 - 28 February 2013

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 28 February 2013:

	Hectares			
	28.2.2013	29.2.2012	28.2.2013	29.2.2012
Mature	8,515			
Replanting and immature	2,410			
	<u>10,925</u>			
	Second financial quarter		Six months	
	28.2.2013	29.2.2012	28.2.2013	29.2.2012
Production (m/t)				
fresh fruit bunches				
Own	39,986	33,538	89,286	78,548
Purchase	4,772	2,500	8,629	7,961
	<u>44,758</u>	<u>36,038</u>	<u>97,915</u>	<u>86,509</u>
Crude palm oil	7,240	5,463	15,629	13,697
Palm kernel	1,994	1,684	4,190	3,871
Extraction Rate				
Crude palm oil	19.31%	18.87%	19.32%	19.46%
Palm kernel	5.32%	5.82%	5.18%	5.50%

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 six months ended 28 February 2013.

A 6 Fair value changes of financial liabilities

As at 28 February 2013, 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 six months ended 28 February 2013.

In respect of financial year ending 31 August 2013:

	RM'000
First interim dividend of 13% per stock unit less 25% taxation paid on 30 January 2013	<u>8,908</u>

Notes to the interim financial report - 28 February 2013

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			
	Second financial quarter		Six months	
	28.2.2013	29.2.2012	28.2.2013	29.2.2012
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	20,729	28,223	50,343	60,690
Revenue from major customers	12,447	22,466	35,665	48,068
Reportable segment profit	3,298	11,149	18,244	28,248
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	3,298	11,149	18,244	28,248
Share of results of associates	(2,489)	484	(3,324)	2,127
Share of results of a jointly controlled entity	(875)	(305)	(1,208)	(590)
Interest income	1,422	1,284	2,779	2,568
Dividend income	112	464	539	921
Other income	201	35	303	146
Other expenses	-	(776)	(56)	(1,145)
Profit before tax	1,669	12,335	17,277	32,275

	As at 28.2.2013 RM'000	As at 31.8.2012 RM'000
Reportable segment assets	122,208	126,724
Reportable segment liabilities	6,207	6,872

Reportable segment's assets are reconciled as follows:

	As at 28.2.2013 RM'000	As at 31.8.2012 RM'000
Total assets for reportable segment	122,208	126,724
Investments in associates	198,806	207,690
Investment in a jointly controlled entity	20,107	20,675
Investment securities	68,062	58,736
Unallocated assets	223,776	215,241
Total assets	632,959	629,066

Reportable segment's liabilities are reconciled as follows:

	As at 28.2.2013 RM'000	As at 31.8.2012 RM'000
Total liabilities for reportable segment	6,207	6,872
Income tax payable	2	-
Deferred tax liabilities	6,191	6,207
Total liabilities	12,400	13,079

Notes to the interim financial report - 28 February 2013

A 9 Property, plant and equipment

There were no significant acquisitions and disposals of property, plant and equipment for the six months ended 28 February 2013.

Capital commitments as at 28 February 2013: -

Approved but not contracted for	RM'000 <u>3,760</u>
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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 28 February 2013.

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 2012.

A 13 Related party disclosures

	Six months 28.2.2013 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Sale of oil palm produce	864
Agency fee	<u>12</u>
(b) Associate in which certain directors and substantial shareholders have interests	
Management fee	<u>135</u>
(c) Person connected to certain directors and a substantial shareholder	
Purchase of fertilisers	<u>1,081</u>
	As at 28.2.2013 RM'000
(d) Included in receivables is:	
Amount due from a company in which certain directors and substantial shareholders have interests	<u>436</u>
(e) Included in payables are amount due to: -	
A company in which certain directors and substantial shareholders have interests	28
Person connected with certain directors and a substantial shareholder	<u>862</u>

Notes to the interim financial report - 28 February 2013

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

Revenue in the current financial quarter and six months period under review decreased by 26.55% and 17.05% respectively when compared with the previous corresponding financial quarter and period due mainly to substantial decreases in the average selling prices of ffb, crude palm oil and palm kernel.

The production of ffb, crude palm oil and palm kernel were substantially higher. Inventory of crude palm oil was also substantially higher.

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 due to unrest in the villages located in the vicinity of the plantations as reported in the previous financial year.

Overall profit net of tax for the current financial quarter and period under review decreased by 94.18% and 50.51% respectively when compared with the previous corresponding financial quarter and period due mainly to substantial decreases in the average selling prices of ffb, crude palm oil and palm kernel and an overall loss in share of results of associates.

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

Revenue in the second financial quarter under review decreased by 30% when compared with the immediate preceding 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 substantially lower. However, inventory of crude palm oil was substantially higher.

Overall operating expenses were higher due mainly to an increase in administrative expenses.

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.

Overall profit before tax decreased by 89.31% due mainly to decreases in the average selling prices of ffb, crude palm oil and palm kernel and an overall loss in share of results of associates.

B 3 Prospects for financial year ending 31 August 2013

The selling prices of ffb and crude palm oil are expected to remain weak in the second half of financial year ending 31 August 2013.

Notes to the interim financial report - 28 February 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

	Second financial quarter 28.2.2013 RM'000	Six months 28.2.2013 RM'000
Income tax:		
Current provision	1,142	5,176
Deferred taxation	(8)	(16)
	1,134	5,160

The effective tax rate for the second financial quarter and six months period under review is higher than the statutory rate due mainly to the effect of share of results of associates and a jointly controlled entity.

B 6 Borrowings and debt securities

As at 28 February 2013, 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:-

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	-	-
31.8.2012	-	-
	11,660,000	27,585

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

Notes to the interim financial report - 28 February 2013

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the six months period ended 28 February 2013.

B 9 Material litigation

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

B 10 Dividends

(i) A first interim dividend of 13% per stock unit less 25% taxation in respect of the financial year ending 31 August 2013 was paid on 30 January 2013.

(ii) No further interim dividend has been declared in respect of the six months ended 28 February 2013.

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

Type of dividend	Gross	Tax	Net
	%	%	%
First interim	13.00	25.00	9.75

(iii) The total dividends for the previous 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

B 11 Earnings per stock unit

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

	Second financial quarter		Six months	
	28.2.2013	29.2.2012	28.2.2013	29.2.2012
Profit attributable to owners of the Company (RM'000)	535	9,185	12,117	24,482
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	0.59	10.05	13.26	26.80
Diluted	0.59	10.05	13.26	26.80

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 - 28 February 2013

B 12 Realised and unrealised profit/losses disclosure

	As at 28.2.2013 RM'000	As at 31.8.2012 RM'000
Total retained profits of the Company and its subsidiary		
Realised	438,044	430,457
Unrealised	1,511	1,347
	<u>439,555</u>	<u>431,804</u>
Total share of retained profits/(accumulated losses) from associates		
Realised	62,126	65,540
Unrealised	156	66
Total share of (accumulated losses)/retained profits from a jointly controlled entity		
Realised	(6,926)	(5,976)
Unrealised	107	365
	<u>495,018</u>	<u>491,799</u>
Less: consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	<u>495,018</u>	<u>491,799</u>

B 13 Notes to condensed statement of comprehensive income

	Second financial quarter 28.2.2013 RM'000	Six months 28.2.2013 RM'000
Interest income	1,422	2,779
Other income including investment income	112	539
Interest expense	-	-
Depreciation	(446)	(879)
Provision for and write off of receivables	-	-
Gain/(loss) on disposal of quoted investments	88	88
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	124	212
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 2012 was not qualified.

By Order of the Board

Gan Kok Tiong
 Company Secretary
 29 April 2013