

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

Condensed consolidated income statement
for the third financial quarter and nine months ended 31 May 2013

	Third		Nine months	
	financial quarter			
	31.5.2013	31.5.2012	31.5.2013	31.5.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	25,574	29,433	75,917	90,123
Cost of sales	(13,284)	(10,461)	(31,975)	(30,678)
Gross profit	12,290	18,972	43,942	59,445
Interest income	1,471	1,336	4,250	3,904
Dividend income	724	528	1,263	1,449
Other income	359	1,015	464	212
Selling expenses	(620)	(471)	(1,779)	(1,614)
Administrative expenses	(4,548)	(3,645)	(13,778)	(11,489)
Replanting expenses	(1,957)	(1,308)	(4,990)	(4,546)
Other expenses	(825)	-	(669)	(196)
Share of results of associates	(1,496)	1,542	(4,820)	3,669
Share of results of a jointly controlled entity	(296)	(529)	(1,504)	(1,119)
Profit before tax	5,102	17,440	22,379	49,715
Income tax expense	(1,560)	(3,868)	(6,720)	(11,661)
Profit net of tax	3,542	13,572	15,659	38,054
Earnings per stock unit (sen per stock unit)				
Basic	3.88	14.86	17.14	41.65
Diluted	3.88	14.86	17.14	41.65

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 2013

	Third financial quarter		Nine months	
	31.5.2013 RM'000	31.5.2012 RM'000	31.5.2013 RM'000	31.5.2012 RM'000
Profit net of tax	3,542	13,572	15,659	38,054
Other comprehensive income/(loss):				
Foreign currency translation	(1,403)	1,729	(2,731)	(3,562)
Net gain/(loss) on fair value changes of available-for-sale investment securities	1,664	(1,723)	4,347	(880)
Share of other comprehensive income/(loss) of an associate	(3)	(15)	5	(24)
	<u>258</u>	<u>(9)</u>	<u>1,621</u>	<u>(4,466)</u>
Total comprehensive income for the period	<u>3,800</u>	<u>13,563</u>	<u>17,280</u>	<u>33,588</u>

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

Condensed consolidated statement of financial position
As at 31 May 2013

	31.5.2013	31.8.2012
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	41,809	41,445
Biological assets	74,225	74,225
Investments in associates	196,346	207,690
Investment in a jointly controlled entity	19,369	20,675
Investment securities	71,071	58,736
	<u>402,820</u>	<u>402,771</u>
Current assets		
Inventories	2,536	2,676
Receivables	5,285	7,798
Income tax recoverable	139	174
Cash and bank balances	229,321	215,647
	<u>237,281</u>	<u>226,295</u>
Total assets	<u>640,101</u>	<u>629,066</u>
Equity and liabilities		
Current liabilities		
Payables	9,555	6,872
Income tax payable	4	-
	<u>9,559</u>	<u>6,872</u>
Non-current liabilities		
Deferred tax liabilities	6,183	6,207
Total liabilities	<u>15,742</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	14,777	13,171
Retained profits	498,565	491,799
Total equity	<u>624,359</u>	<u>615,987</u>
Total equity and liabilities	<u>640,101</u>	<u>629,066</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>6.83</u>	<u>6.74</u>

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

**Condensed consolidated statement of changes in equity
for the nine months ended 31 May 2013**

	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	Fair value adjustment reserve RM'000
At 1 September 2011	595,679	91,363	19,654	466,514	16,763	15,888
Revaluation reserve of leasehold land realised	-	-	-	15	(15)	-
Total comprehensive income	33,588	-	-	38,054	-	(904)
Transaction with owners	(10,964)	-	-	(10,964)	-	-
Dividends, representing total transaction with owners	618,303	91,363	19,654	493,619	16,748	14,984
At 31 May 2012	615,987	91,363	19,654	491,799	16,744	17,645
Revaluation reserve of leasehold land realised	-	-	-	15	(15)	-
Total comprehensive income	17,280	-	-	15,659	-	4,352
Transaction with owners	(8,908)	-	-	(8,908)	-	-
Dividends, representing total transaction with owners	624,359	91,363	19,654	498,565	16,729	21,997
At 31 May 2013						

Chin Teck Plantations Berhad (3250V)
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Condensed consolidated statement of cash flows
for the nine months ended 31 May 2013

	31.5.2013	31.5.2012
	RM'000	RM'000
Operating activities		
Profit before tax	22,379	49,715
Adjustments for:		
Depreciation for property, plant and equipment	1,340	1,095
Gain on sale of property, plant and equipment	-	(32)
Gross dividend income	(1,263)	(1,449)
Interest income	(4,250)	(3,904)
Net fair value gain/(loss) on available-for-sale investment securities (transferred from equity on disposal)	(88)	28
Property, plant and equipment written off	56	-
Share of results of associates	4,820	(3,669)
Share of results of a jointly controlled entity	1,504	1,119
Unrealised loss on foreign exchange	613	168
Total adjustments	<u>2,732</u>	<u>(6,644)</u>
Operating cash flows before changes in working capital	25,111	43,071
Changes in working capital		
Decrease in		
inventories	140	146
receivables	2,546	33
Increase/(decrease) in payables	2,683	(1,884)
Total changes in working capital	<u>5,369</u>	<u>(1,705)</u>
Cash flows from operations	30,480	41,366
Taxes paid	(6,670)	(15,384)
Net cash flows from operating activities	<u>23,810</u>	<u>25,982</u>
Investing activities		
Interest received	4,217	3,964
Net dividends received from an associate	3,600	-
Net dividends received from investment securities	1,140	1,379
Purchase of property, plant and equipment	(1,760)	(1,461)
Purchase of investment securities	(8,446)	(2,538)
Proceeds from sale of property, plant and equipment	-	401
Proceeds from sale of investment securities	634	1,912
Net cash flows (used in)/from investing activities	<u>(615)</u>	<u>3,657</u>
Financing activity		
Dividends paid to owners of the Company, representing total cash flows used in financing activity	<u>(8,908)</u>	<u>(10,964)</u>
Net increase in cash and cash equivalents	14,287	18,675
Effects of exchange rate changes on cash and cash equivalents	(613)	(168)
Cash and cash equivalents at beginning of period	214,543	197,142
Cash and cash equivalents at end of period	<u>228,217</u>	<u>215,649</u>

Notes to the interim financial report - 31 May 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 - 31 May 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 nine months ended 31 May 2013:

	Hectares
Mature	8,690
Replanting and immature	2,235
	<u>10,925</u>

	Third financial quarter		Nine months	
	31.5.2013	31.5.2012	31.5.2013	31.5.2012
Production (m/t)				
fresh fruit bunches				
Own	38,030	36,895	127,316	115,443
Purchase	2,555	2,227	11,184	10,188
	<u>40,585</u>	<u>39,122</u>	<u>138,500</u>	<u>125,631</u>
Crude palm oil	6,579	5,777	22,208	19,474
Palm kernel	1,837	1,683	6,027	5,554
Extraction Rate				
Crude palm oil	19.99%	19.49%	19.51%	19.47%
Palm kernel	5.58%	5.68%	5.30%	5.55%

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 2013.

A 6 Fair value changes of financial liabilities

As at 31 May 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 nine months ended 31 May 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 - 31 May 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			
	Third financial quarter		Nine months	
	31.5.2013	31.5.2012	31.5.2013	31.5.2012
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	25,574	29,433	75,917	90,123
Revenue from major customers	20,694	21,957	50,924	67,263
Reportable segment profit	5,232	13,548	23,477	41,796
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	5,232	13,548	23,477	41,796
Share of results of associates	(1,496)	1,542	(4,820)	3,669
Share of results of a jointly controlled entity	(296)	(529)	(1,504)	(1,119)
Interest income	1,471	1,336	4,250	3,904
Dividend income	724	528	1,263	1,449
Other income	292	1,015	382	212
Other expenses	(825)	-	(669)	(196)
Profit before tax	5,102	17,440	22,379	49,715

	As at 31.5.2013 RM'000	As at 31.8.2012 RM'000
Reportable segment assets	124,507	126,724
Reportable segment liabilities	9,555	6,872

Reportable segment's assets are reconciled as follows:

	As at 31.5.2013 RM'000	As at 31.8.2012 RM'000
Total assets for reportable segment	124,507	126,724
Investments in associates	196,346	207,690
Investment in a jointly controlled entity	19,369	20,675
Investment securities	71,071	58,736
Unallocated assets	228,808	215,241
Total assets	640,101	629,066

Reportable segment's liabilities are reconciled as follows:

	As at 31.5.2013 RM'000	As at 31.8.2012 RM'000
Total liabilities for reportable segment	9,555	6,872
Income tax payable	4	-
Deferred tax liabilities	6,183	6,207
Total liabilities	15,742	13,079

Notes to the interim financial report - 31 May 2013

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 2013.

Capital commitments as at 31 May 2013: -

Approved but not contracted for	RM'000 <u>3,686</u>
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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 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

	Nine months 31.5.2013 RM'000
(a) Companies in which certain directors and substantial shareholders have interests	
Agency fee	<u>18</u>
(b) Associate in which certain directors and substantial shareholders have interests	
Management fee	<u>203</u>
(c) Person connected to certain directors and a substantial shareholder	
Purchase of fertilisers	<u>1,081</u>
	As at 31.5.2013 RM'000
(d) Included in payables is an amount due to: -	
Person connected with certain directors and a substantial shareholder	<u>862</u>

Notes to the interim financial report - 31 May 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 nine months period under review decreased by 13.11% and 15.76% 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 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 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.

Harvesting of young mature palms of the jointly controlled entity's joint venture engaged in oil palm plantation in Indonesia has been delayed due to unrest in the villages near by the estate.

Overall profit net of tax for the current financial quarter and nine months period under review decreased by 73.90% and 58.85% 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 third financial quarter compared with the immediate preceding quarter

Revenue in the third financial quarter under review increased by 23.27% when compared with the immediate preceding financial quarter due mainly to increase in sales volume of crude palm oil as a result of decrease in inventory. The average selling prices of ffb, crude palm oil and palm kernel were marginally higher.

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

Overall operating expenses were higher due mainly to an increase in fertiliser expenses as a result of active application of fertilisers.

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 increased by 205.69% due mainly to increase in revenue.

B 3 Prospects for financial year ending 31 August 2013

The average selling prices of ffb, crude palm oil and palm kernel would remain weak in the fourth quarter of the financial year ending 31 August 2013.

Overall, the financial performance for the financial year ending 31 August 2013, are affected by the weak selling prices of ffb, crude palm oil and palm kernel.

Notes to the interim financial report - 31 May 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

	Third financial quarter 31.5.2013 RM'000	Nine months 31.5.2013 RM'000
Income tax:		
Current provision	1,712	6,888
Over provision in respect of previous year	(144)	(144)
	<u>1,568</u>	<u>6,744</u>
Deferred taxation	(8)	(24)
	<u>1,560</u>	<u>6,720</u>

The effective tax rate for the third financial quarter and nine 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 31 May 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	-	-
	<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.

Notes to the interim financial report - 31 May 2013

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the nine months period ended 31 May 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 second interim dividend in respect of the financial year ending 31 August 2013 has been declared by the Board of Directors.
- (ii) The amount per stock unit: 13% less 25% taxation.
- (iii) The date payable for the second interim dividend of 13% per stock unit less 25% taxation: 30 August 2013
- (iv) In respect of deposited securities, entitlement to the second interim dividend of 13% per stock unit less 25% taxation will be determined on the basis of the record of depositors as at 20 August 2013.
- (v) The total dividends for the current financial year ending 31 August 2013:-

Type of dividend	Gross	Tax	Net
	%	%	%
First interim	13.00	25.00	9.75
Second interim	13.00	25.00	9.75
	26.00	25.00	19.50

- (vi) 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: -

	Third financial quarter		Nine months	
	31.5.2013	31.5.2012	31.5.2013	31.5.2012
Profit attributable to owners of the Company (RM'000)	3,542	13,572	15,659	38,054
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	3.88	14.86	17.14	41.65
Diluted	3.88	14.86	17.14	41.65

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 2013

B 12 Realised and unrealised profit/losses disclosure

	As at 31.5.2013 RM'000	As at 31.8.2012 RM'000
Total retained profits of the Company and its subsidiary		
Realised	444,223	430,457
Unrealised	670	1,347
	<hr/> 444,893	<hr/> 431,804
Total share of retained profits from associates		
Realised	60,646	65,540
Unrealised	141	66
Total share of (accumulated losses)/retained profits from a jointly controlled entity		
Realised	(7,219)	(5,976)
Unrealised	104	365
	<hr/> 498,565	<hr/> 491,799
Less: consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	<hr/> 498,565	<hr/> 491,799

B 13 Notes to condensed statement of comprehensive income

	Third financial quarter 31.5.2013 RM'000	Nine months 31.5.2013 RM'000
Interest income	1,471	4,250
Other income including investment income	724	1,263
Interest expense	-	-
Depreciation	(461)	(1,340)
Provision for and write off of receivables	-	-
Gain/(loss) on disposal of quoted investments	-	88
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	(825)	(613)
Gain/(loss) on derivatives	-	-
Exceptional items	-	-
	<hr/>	<hr/>

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
 31 July 2013