

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

Condensed consolidated income statement
for the first financial quarter and three months ended 30 November 2013

	First financial quarter		Three months	
	30.11.2013 RM'000	30.11.2012 RM'000	30.11.2013 RM'000	30.11.2012 RM'000
Revenue	34,922	29,614	34,922	29,614
Cost of sales	(13,673)	(8,555)	(13,673)	(8,555)
Gross profit	21,249	21,059	21,249	21,059
Interest income	1,443	1,357	1,443	1,357
Dividend income	436	427	436	427
Other income	530	102	530	102
Selling expenses	(944)	(634)	(944)	(634)
Administrative expenses	(4,682)	(3,878)	(4,682)	(3,878)
Replanting expenses	(512)	(1,601)	(512)	(1,601)
Other expenses	(181)	(56)	(181)	(56)
Share of results of associates	1,175	(835)	1,175	(835)
Share of results of a jointly controlled entity	(1,127)	(333)	(1,127)	(333)
Profit before tax	17,387	15,608	17,387	15,608
Income tax expense	(4,083)	(4,026)	(4,083)	(4,026)
Profit net of tax	13,304	11,582	13,304	11,582
Earnings per stock unit (sen per stock unit)				
Basic	14.56	12.68	14.56	12.68
Diluted	14.56	12.68	14.56	12.68

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

Condensed consolidated statement of comprehensive income
for the first financial quarter and three months ended 30 November 2013

	First financial quarter		Three months	
	30.11.2013 RM'000	30.11.2012 RM'000	30.11.2013 RM'000	30.11.2012 RM'000
Profit net of tax	13,304	11,582	13,304	11,582
Other comprehensive income/(loss):				
Foreign currency translation	(8,521)	(2,131)	(8,521)	(2,131)
Net gain on fair value changes of available-for-sale investment securities	4,055	746	4,055	746
Share of other comprehensive income/(loss) of an associate	7	(2)	7	(2)
	<u>(4,459)</u>	<u>(1,387)</u>	<u>(4,459)</u>	<u>(1,387)</u>
Total comprehensive income	<u>8,845</u>	<u>10,195</u>	<u>8,845</u>	<u>10,195</u>

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

Condensed consolidated statement of financial position
As at 30 November 2013

	30.11.2013	31.8.2013
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	43,101	42,602
Biological assets	74,225	74,225
Investments in associates	185,936	192,398
Investment in a jointly controlled entity	17,530	19,534
Investment securities	78,864	72,716
	<u>399,656</u>	<u>401,475</u>
Current assets		
Inventories	2,643	2,823
Receivables	9,177	9,354
Cash and bank balances	238,900	223,555
	<u>250,720</u>	<u>235,732</u>
Total assets	<u>650,376</u>	<u>637,207</u>
Equity and liabilities		
Current liabilities		
Payables	10,050	8,058
Income tax payable	3,731	1,391
	<u>13,781</u>	<u>9,449</u>
Non-current liabilities		
Deferred tax liabilities	6,352	6,360
Total liabilities	<u>20,133</u>	<u>15,809</u>
Equity attributable to owners of the Company		
Share capital	91,363	91,363
Share premium	19,654	19,654
Other reserves	7,003	11,467
Retained profits	512,223	498,914
Total equity	<u>630,243</u>	<u>621,398</u>
Total equity and liabilities	<u>650,376</u>	<u>637,207</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>6.90</u>	<u>6.80</u>

Chin Teck Plantations Berhad (3250V)
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Condensed consolidated statement of changes in equity
for the three months ended 30 November 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	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000
At 1 September 2012	615,987	91,363	19,654	491,799	16,744	(21,218)	17,645
Revaluation reserve of leasehold land realised	-	-	-	5	(5)	-	-
Total comprehensive income	10,195	-	-	11,582	-	(2,131)	744
At 30 November 2012	626,182	91,363	19,654	503,386	16,739	(23,349)	18,389
At 1 September 2013	621,398	91,363	19,654	498,914	16,723	(27,128)	21,872
Revaluation reserve of leasehold land realised	-	-	-	5	(5)	-	-
Total comprehensive income	8,845	-	-	13,304	-	(8,521)	4,062
At 30 November 2013	630,243	91,363	19,654	512,223	16,718	(35,649)	25,934

Chin Teck Plantations Berhad (3250V)
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Condensed consolidated statement of cash flows
for the three months ended 30 November 2013

	30.11.2013	30.11.2012
	RM'000	RM'000
Operating activities		
Profit before tax	17,387	15,608
Adjustments for:		
Depreciation for property, plant and equipment	508	433
Gross dividend income	(436)	(427)
Interest income	(1,443)	(1,357)
Net fair value gain on available-for-sale investment securities (transferred from equity on disposal)	(365)	-
Property, plant and equipment written off	-	56
Share of results of associates	(1,175)	835
Share of results of a jointly controlled entity	1,127	333
Unrealised loss/(gain) on foreign exchange	181	(88)
Total adjustments	<u>(1,603)</u>	<u>(215)</u>
Operating cash flows before changes in working capital	15,784	15,393
Changes in working capital		
Decrease/(increase) in inventories	180	(1,212)
receivables	123	(2,861)
Increase in payables	1,992	2,615
Total changes in working capital	<u>2,295</u>	<u>(1,458)</u>
Cash flows from operations	18,079	13,935
Taxes paid	<u>(1,740)</u>	<u>(2,300)</u>
Net cash flows from operating activities	<u>16,339</u>	<u>11,635</u>
Investing activities		
Interest received	1,497	1,409
Net dividends received from investment securities	385	364
Purchase of property, plant and equipment	(1,007)	(524)
Purchase of investment securities	(3,075)	(1,532)
Proceeds from sale of investment securities	1,387	-
Net cash flows used in investing activities	<u>(813)</u>	<u>(283)</u>
Net increase in cash and cash equivalents	15,526	11,352
Effects of exchange rate changes on cash and cash equivalents	(181)	88
Cash and cash equivalents at beginning of period	<u>222,418</u>	<u>214,543</u>
Cash and cash equivalents at end of period	<u>237,763</u>	<u>225,983</u>

Notes to the interim financial report - 30 November 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 annual audited financial statements for the financial year ended 31 August 2013.

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 2013 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 2013. The adoption of these standards, amendments and interpretations do not have material impact on the financial performance or position of the Group.

The extensive disclosures of qualitative and quantitative information about exposures to risks from financial instruments will be made in the audited annual financial statements of the Group.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

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 2015.

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 2016. 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 2014 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 2016.

Notes to the interim financial report - 30 November 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 three months ended 30 November 2013:

	Hectares			
Mature	10,101			
Replanting and immature	824			
	<u>10,925</u>			
	First financial quarter		Three months	
	30.11.2013	30.11.2012	30.11.2013	30.11.2012
Production (m/t)				
fresh fruit bunches				
Own	61,478	49,300	61,478	49,300
Purchase	4,358	3,857	4,358	3,857
	<u>65,836</u>	<u>53,157</u>	<u>65,836</u>	<u>53,157</u>
Crude palm oil	10,825	8,389	10,825	8,389
Palm kernel	3,131	2,196	3,131	2,196
Extraction Rate				
Crude palm oil	18.84%	19.32%	18.84%	19.32%
Palm kernel	5.45%	5.06%	5.45%	5.06%

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 three months ended 30 November 2013.

A 6 Fair value changes of financial liabilities

As at 30 November 2013, the Group did not have any financial liabilities measured at fair value through profit or loss.

A 7 Dividends paid

No dividend was paid during the three months ended 30 November 2013.

Notes to the interim financial report - 30 November 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			
	First financial quarter		Three months	
	30.11.2013	30.11.2012	30.11.2013	30.11.2012
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	34,922	29,614	34,922	29,614
Revenue from major customers	26,745	7,973	26,745	7,973
Reportable segment profit	15,276	14,960	15,276	14,960

Reportable segment profit is reconciled as follows:

Total profit for reportable segment	15,276	14,960	15,276	14,960
Share of results of associates	1,175	(835)	1,175	(835)
Share of results of a jointly controlled entity	(1,127)	(333)	(1,127)	(333)
Interest income	1,443	1,357	1,443	1,357
Dividend income	436	427	436	427
Other income	365	88	365	88
Other expenses	(181)	(56)	(181)	(56)
Profit before tax	17,387	15,608	17,387	15,608

	As at 30.11.2013	As at 31.8.2013
	RM'000	RM'000
Reportable segment assets	128,854	130,095
Reportable segment liabilities	10,050	8,058

Reportable segment's assets are reconciled as follows:

	As at 30.11.2013	As at 31.8.2013
	RM'000	RM'000
Total assets for reportable segment	128,854	130,095
Investments in associates	185,936	192,398
Investment in a jointly controlled entity	17,530	19,534
Investment securities	78,864	72,716
Unallocated assets	239,192	222,464
Total assets	650,376	637,207

Notes to the interim financial report - 30 November 2013

A 8 Segment information (cont'd.)

Reportable segment's liabilities are reconciled as follows:

	As at 30.11.2013 RM'000	As at 31.8.2013 RM'000
Total liabilities for reportable segment	10,050	8,058
Income tax payable	3,731	1,391
Deferred tax liabilities	6,352	6,360
Total liabilities	<u>20,133</u>	<u>15,809</u>

A 9 Property, plant and equipment

There were no significant acquisitions and no disposals of property, plant and equipment for the three months ended 30 November 2013.

Capital commitments as at 30 November 2013: -

Approved but not contracted for	<u>RM'000</u> 5,661
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A 10 Material events subsequent to first financial quarter

There were no material events subsequent to the first financial quarter that have not been reflected in the financial statements for the financial quarter ended 30 November 2013 other than the payment of a first interim dividend of 13% less 25% taxation and a special dividend of 17% less 25% taxation in respect of financial year ending 31 August 2014 on 30 December 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 2013.

A 13 Related party disclosures

	Three months 30.11.2013 RM'000
(a) Company in which certain directors and substantial shareholders have interest: -	
Agency fee	<u>6</u>
(b) An associate in which certain directors and substantial shareholders have interest: -	
Management fee	<u>67</u>

Notes to the interim financial report - 30 November 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

First financial quarter and three months ended 30 November 2013

Revenue in the current financial quarter and three months under review improved by 17.92% to RM34,922,000 from RM29,614,000 when compared with the preceding year corresponding financial quarter and period. The average selling prices of ffb and palm kernel were higher. However, the average selling price of crude palm oil was lower. The sales volume of crude palm oil and palm kernel were higher. However, the sales volume of ffb was lower.

The production of ffb, crude palm oil and palm kernel were higher. The increase in the production of ffb was due to young immature palms attaining maturity.

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

As reported previously, the joint ventures engaged in oil palm plantation located in Lampung Province, Indonesia encountered a suspension in routine harvesting due to unrest in the villages located in the vicinity of the plantations. The resumption of routine harvesting is pending clearance by the relevant authorities. The joint venture engaged in oil palm plantation in Padang, Indonesia and an associate engaged in property development in Malaysia have contributed positively to the profit of the Group resulting in an overall profit in its share of results of associates.

Overall profit net of tax for the current financial quarter and period under review increased by 14.87% to RM13,304,000 from RM11,582,000 when compared with the preceding year financial quarter and period mainly due to improvement in revenue and an overall profit in share of results of associates.

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

Revenue in the first financial quarter under review improved by 31.33% to RM34,922,000 from RM26,591,000 when compared with the immediate preceding financial quarter due mainly to higher average selling prices of ffb, crude palm oil and palm kernel and an increase in sales volume of crude palm oil and palm kernel.

The production of ffb, crude palm oil and palm kernel were higher. The increase in the production of ffb was due to young immature palms attaining maturity.

Overall profit before tax increased by 44.28% to RM17,387,000 from RM12,051,000 due mainly to improvement in revenue.

B 3 Prospects for financial year ending 31 August 2014

The selling prices of ffb, crude palm oil and palm kernel have improved since the end of the previous financial year. Should this trend continue, it would have a corresponding effect on the financial performance for the financial year ending 31 August 2014.

Notes to the interim financial report - 30 November 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

	First financial quarter 30.11.2013 RM'000	Three months 30.11.2013 RM'000
Income tax:		
Current provision	4,091	4,091
Deferred income tax	(8)	(8)
	<u>4,083</u>	<u>4,083</u>

The effective tax rate for the first financial quarter and three months under review is lower than the statutory rate due mainly to certain income which are not assessable for income tax purpose.

B 6 Borrowings and debt securities

As at 30 November 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	-	-
31.8.2013	-	-
	<u>11,660,000</u>	<u>27,585</u>

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

Notes to the interim financial report - 30 November 2013

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the three months period ended 30 November 2013.

B 9 Material litigation

There were no material litigations as at 31 August 2013 and at the date of issue of this interim financial report.

B 10 Dividends

(i) A first interim dividend of 13% less 25% taxation and a special dividend of 17% less 25% taxation in respect of the financial year ending 31 August 2014 were paid on 30 December 2013

(ii) The total dividends for the current financial year ending 31 August 2014:-

Type of dividend	Gross	Tax	Net
	%	%	%
First interim	13.00	25.00	9.75
Special	17.00	25.00	12.75
	30.00	25.00	22.50

(iii) The total dividends for the previous financial year ended 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

B 11 Earnings per stock unit

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

	First financial quarter		Three months	
	30.11.2013	30.11.2012	30.11.2013	30.11.2012
Profit attributable to owners of the Company (RM'000)	13,304	11,582	13,304	11,582
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	14.56	12.68	14.56	12.68
Diluted	14.56	12.68	14.56	12.68

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.

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

Notes to the interim financial report - 30 November 2013

B 12 Realised and unrealised profit/losses disclosure

	As at 30.11.2013 RM'000	As at 31.8.2013 RM'000
Total retained profits of the Company and its subsidiary		
Realised	460,432	449,963
Unrealised	2,274	2,482
	<u>462,706</u>	<u>452,445</u>
Total share of retained profits from associates		
Realised	57,405	59,829
Unrealised	141	141
Total share of (accumulated losses)/retained profits from a jointly controlled entity		
Realised	(8,139)	(7,279)
Unrealised	110	378
	<u>512,223</u>	<u>505,514</u>
Less: consolidation adjustments	-	(6,600)
Total Group retained profits as per consolidated accounts	<u>512,223</u>	<u>498,914</u>

B 13 Notes to condensed statement of comprehensive income

	First financial quarter 30.11.2013 RM'000	Three months 30.11.2013 RM'000
Interest income	1,443	1,443
Other income including investment income	436	436
Interest expense	-	-
Depreciation	(508)	(508)
Provision for and write off of receivables	-	-
Gain/(loss) on disposal of quoted investments	365	365
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	(181)	(181)
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 2013 was not qualified.

By Order of the Board

Gan Kok Tiong
 Company Secretary
 23 January 2014