

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

Condensed consolidated income statement
for the second financial quarter and six months ended 28 February 2014

	Second		Six months	
	financial quarter			
	28.2.2014	28.2.2013	28.2.2014	28.2.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	24,435	20,729	59,357	50,343
Cost of sales	(11,115)	(10,136)	(24,788)	(18,691)
Gross profit	13,320	10,593	34,569	31,652
Interest income	1,361	1,422	2,804	2,779
Dividend income	217	112	653	539
Other income	30	215	560	317
Selling expenses	(604)	(525)	(1,548)	(1,159)
Administrative expenses	(5,927)	(5,352)	(10,609)	(9,230)
Replanting expenses	(487)	(1,432)	(999)	(3,033)
Other expenses	(671)	-	(852)	(56)
Share of results of associates	(3,046)	(2,489)	(1,871)	(3,324)
Share of results of a joint venture	(466)	(875)	(1,593)	(1,208)
Profit before tax	3,727	1,669	21,114	17,277
Income tax expense	(1,882)	(1,134)	(5,965)	(5,160)
Profit net of tax	1,845	535	15,149	12,117
Earnings per stock unit (sen per stock unit)				
Basic	2.02	0.59	16.58	13.26
Diluted	2.02	0.59	16.58	13.26

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 2014

	Second		Six months	
	financial quarter		28.2.2014	
	28.2.2014	28.2.2013	28.2.2014	28.2.2013
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	1,845	535	15,149	12,117
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	2,293	803	(6,228)	(1,328)
Net gain/(loss) on fair value changes of available-for-sale investment securities	(3,600)	1,937	455	2,683
Share of other comprehensive income of an associate	6	10	13	8
Total other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	(1,301)	2,750	(5,760)	1,363
Total comprehensive income	544	3,285	9,389	13,480

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

Condensed consolidated statement of financial position
As at 28 February 2014

	28.2.2014	31.8.2013
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	43,320	42,602
Biological assets	74,225	74,225
Investments in associates	186,066	192,398
Investment in a joint venture	16,187	19,534
Investment securities	76,748	72,716
	<u>396,546</u>	<u>401,475</u>
Current assets		
Inventories	2,261	2,823
Receivables	5,545	9,354
Income tax recoverable	3	-
Cash and bank balances	222,643	223,555
	<u>230,452</u>	<u>235,732</u>
Total assets	<u>626,998</u>	<u>637,207</u>
Equity and liabilities		
Current liabilities		
Payables	6,557	8,058
Income tax payable	3,867	1,391
	<u>10,424</u>	<u>9,449</u>
Non-current liabilities		
Deferred tax liabilities	6,344	6,360
Total liabilities	<u>16,768</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	5,697	11,467
Retained profits	493,516	498,914
Total equity	<u>610,230</u>	<u>621,398</u>
Total equity and liabilities	<u>626,998</u>	<u>637,207</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>6.68</u>	<u>6.80</u>

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

Condensed consolidated statement of changes in equity
for the six months ended 28 February 2014

	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 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 transactions with owners	620,559	91,363	19,654	495,018	16,734	(22,546)	20,336
At 28 February 2013							
At 1 September 2013	621,398	91,363	19,654	498,914	16,723	(27,128)	21,872
Revaluation reserve of leasehold land realised	-	-	-	10	(10)	-	-
Total comprehensive income	9,389	-	-	15,149	-	(6,228)	468
Transaction with owners	(20,557)	-	-	(20,557)	-	-	-
Dividends, representing total transactions with owners	610,230	91,363	19,654	493,516	16,713	(33,356)	22,340
At 28 February 2014							

Chin Teck Plantations Berhad (3250V)
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Condensed consolidated statement of cash flows
for the six months ended 28 February 2014

	28.2.2014	28.2.2013
	RM'000	RM'000
Operating activities		
Profit before tax	21,114	17,277
Adjustments for:		
Depreciation for property, plant and equipment	1,131	879
Gross dividend income	(653)	(539)
Interest income	(2,804)	(2,779)
Net fair value gain on available-for-sale investment securities (transferred from equity on disposal)	(365)	(88)
Property, plant and equipment written off	-	56
Share of results of associates	1,871	3,324
Share of results of a joint venture	1,593	1,208
Unrealised loss/(gain) on foreign exchange	852	(212)
Total adjustments	<u>1,625</u>	<u>1,849</u>
Operating cash flows before changes in working capital	22,739	19,126
Changes in working capital		
Decrease/(increase) in inventories	562	(1,482)
receivables	3,666	1,512
Decrease in payables	(1,501)	(665)
Total changes in working capital	<u>2,727</u>	<u>(635)</u>
Cash flows from operations	25,466	18,491
Taxes paid	(3,487)	(5,903)
Net cash flows from operating activities	<u>21,979</u>	<u>12,588</u>
Investing activities		
Interest received	2,947	2,848
Net dividends received from an associate	-	3,600
Net dividends received from investment securities	531	463
Purchase of property, plant and equipment	(1,849)	(538)
Purchase of investment securities	(4,498)	(7,136)
Proceeds from sale of investment securities	1,387	633
Net cash flows used in investing activities	<u>(1,482)</u>	<u>(130)</u>
Financing activity		
Dividends paid to owners of the Company, representing total cash flows used in financing activity	<u>(20,557)</u>	<u>(8,908)</u>
Net (decrease)/increase in cash and cash equivalents	(60)	3,550
Effects of exchange rate changes on cash and cash equivalents	(852)	212
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>221,506</u>	<u>218,305</u>

Notes to the interim financial report - 28 February 2014

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).

On 7 August 2013, MASB announced that it will permit Transitioning Entities to defer adoption of the new MFRS Framework and continue to use the existing Financial Reporting Standards (FRS) Framework for additional year. 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 - 28 February 2014

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 2014:

	Hectares			
Mature	10,101			
Replanting and immature	824			
	<u>10,925</u>			
	Second financial quarter		Six months	
	28.2.2014	28.2.2013	28.2.2014	28.2.2013
Production (m/t)				
fresh fruit bunches				
Own	38,200	39,986	99,678	89,286
Purchase	3,032	4,772	7,390	8,629
	<u>41,232</u>	<u>44,758</u>	<u>107,068</u>	<u>97,915</u>
Crude palm oil	6,618	7,240	17,443	15,629
Palm kernel	1,871	1,994	5,002	4,190
Extraction Rate				
Crude palm oil	19.40%	19.31%	19.05%	19.32%
Palm kernel	5.49%	5.32%	5.46%	5.18%

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 2014.

A 6 Fair value changes of financial liabilities

As at 28 February 2014, 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 2014.

In respect of financial year ending 31 August 2014:

	RM'000
A first interim dividend of 13% less 25% taxation and a special dividend of 17% less 25% taxation paid on 30 December 2013	<u>20,557</u>

Notes to the interim financial report - 28 February 2014

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	
	28.2.2014	28.2.2013	28.2.2014	28.2.2013
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	24,435	20,729	59,357	50,343
Revenue from major customers	23,545	12,447	44,744	35,665
Reportable segment profit	6,332	3,298	21,608	18,244
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	6,332	3,298	21,608	18,244
Share of results of associates	(3,046)	(2,489)	(1,871)	(3,324)
Share of results of a joint venture	(466)	(875)	(1,593)	(1,208)
Interest income	1,361	1,422	2,804	2,779
Dividend income	217	112	653	539
Other income	-	201	365	303
Other expenses	(671)	-	(852)	(56)
Profit before tax	3,727	1,669	21,114	17,277

	As at 28.2.2014 RM'000	As at 31.8.2013 RM'000
Reportable segment assets	126,178	130,095
Reportable segment liabilities	6,557	8,058

Reportable segment's assets are reconciled as follows:

	As at 28.2.2014 RM'000	As at 31.8.2013 RM'000
Total assets for reportable segment	126,178	130,095
Investments in associates	186,066	192,398
Investment in a joint venture	16,187	19,534
Investment securities	76,748	72,716
Unallocated assets	221,819	222,464
Total assets	626,998	637,207

Notes to the interim financial report - 28 February 2014

A 8 Segment information (cont'd.)

Reportable segment's liabilities are reconciled as follows:

	As at 28.2.2014	As at 31.8.2013
	RM'000	RM'000
Total liabilities for reportable segment	6,557	8,058
Income tax payable	3,867	1,391
Deferred tax liabilities	6,344	6,360
Total liabilities	<u>16,768</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 six months ended 28 February 2014.

Capital commitments as at 28 February 2014: -

Approved but not contracted for	RM'000 <u>4,366</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 2014.

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

	Six months 28.2.2014 RM'000
(a) Companies in which certain directors and substantial shareholders have interest: -	
Purchase of oil palm produce	11
Marketing consultancy fee	26
Agency fee	<u>8</u>
(b) An associate in which certain directors and substantial shareholders have interest: -	
Management fee	<u>135</u>

Notes to the interim financial report - 28 February 2014

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

Second financial quarter ended 28 February 2014

Revenue in the current financial quarter under review improved by 17.88% to RM24,435,000 from RM20,729,000 when compared with the preceding year corresponding financial quarter. The average selling prices of ffb, crude palm oil and palm kernel were higher. The sales volume of crude palm oil was higher. However, the sales volume of ffb and palm kernel were lower.

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

Overall profit net of tax for the current financial quarter under review increased by 244.86% to RM1,845,000 from RM535,000 due mainly to improvement in revenue.

Six months ended 28 February 2014

Revenue in the current six months period under review improved by 17.91% to RM59,357,000 from RM50,343,000 when compared with the preceding year corresponding 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 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 previously.

Increase in overall operating expenses was due mainly to increase in the production of ffb, crude palm oil and palm kernel.

Overall profit net of tax for the current six months period under review increased by 25.02% to RM15,149,000 from RM12,117,000 due mainly to improvement in revenue.

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 30.03% to RM24,435,000 from RM34,922,000 when compared with the immediate preceding financial quarter due mainly to decreases in the sales volume of ffb, crude palm oil and palm kernel even though the average selling prices increased.

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

Overall profit before tax decreased by 78.56% to RM3,727,000 from RM17,387,000 due mainly to an overall loss in its share of results of associates and a decrease in revenue.

Notes to the interim financial report - 28 February 2014

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.

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 28.2.2014 RM'000	Six months 28.2.2014 RM'000
Income tax:		
Current provision	1,890	5,981
Deferred income tax	(8)	(16)
	<u>1,882</u>	<u>5,965</u>

The effective tax rates for the second financial quarter and six months period under review are higher than the statutory rate due mainly to the effect of share of results of associates and a joint venture.

B 6 Borrowings and debt securities

As at 28 February 2014, 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 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 2014

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the six months period ended 28 February 2014.

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) No further interim dividend has been declared in respect of the six months ended 28 February 2014.
- (iii) 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

- (iv) 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: -

	Second financial quarter		Six months	
	28.2.2014	28.2.2013	28.2.2014	28.2.2013
Profit attributable to owners of the Company (RM'000)	1,845	535	15,149	12,117
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	2.02	0.59	16.58	13.26
Diluted	2.02	0.59	16.58	13.26

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 2014

B 12 Realised and unrealised profit/losses disclosure

	As at 28.2.2014 RM'000	As at 31.8.2013 RM'000
Total retained profits of the Company and its subsidiary		
Realised	445,008	449,963
Unrealised	2,503	2,482
	<u>447,511</u>	<u>452,445</u>
Total share of retained profits from associates		
Realised	54,358	59,829
Unrealised	141	141
Total share of (accumulated losses)/retained profits from a joint venture		
Realised	(8,582)	(7,279)
Unrealised	88	378
	<u>493,516</u>	<u>505,514</u>
Less: consolidation adjustments	-	(6,600)
Total Group retained profits as per consolidated accounts	<u>493,516</u>	<u>498,914</u>

B 13 Notes to condensed statement of comprehensive income

	Second financial quarter 28.2.2014 RM'000	Six months 28.2.2014 RM'000
Interest income	1,361	2,804
Other income including investment income	217	653
Interest expense	-	-
Depreciation	(623)	(1,131)
Provision for and write off of receivables	-	-
Gain/(loss) on disposal of quoted investments	-	365
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	(671)	(852)
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 April 2014