

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

Condensed consolidated income statement
for the first financial quarter and three months ended 30 November 2014

	First financial quarter		Three months	
	30.11.2014 RM'000	30.11.2013 RM'000	30.11.2014 RM'000	30.11.2013 RM'000
Revenue	27,721	34,922	27,721	34,922
Cost of sales	(13,178)	(13,673)	(13,178)	(13,673)
Gross profit	14,543	21,249	14,543	21,249
Interest income	1,460	1,443	1,460	1,443
Dividend income	553	436	553	436
Other income	1,980	530	1,980	530
Selling expenses	(860)	(944)	(860)	(944)
Administrative expenses	(4,969)	(4,682)	(4,969)	(4,682)
Replanting expenses	(923)	(512)	(923)	(512)
Other expenses	-	(181)	-	(181)
Share of results of associates	999	1,175	999	1,175
Share of results of a joint venture	(254)	(1,127)	(254)	(1,127)
Profit before tax	12,529	17,387	12,529	17,387
Income tax expense	(1,918)	(4,083)	(1,918)	(4,083)
Profit net of tax	10,611	13,304	10,611	13,304
Earnings per stock unit (sen per stock unit)				
Basic	11.61	14.56	11.61	14.56
Diluted	11.61	14.56	11.61	14.56

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 2014

	First financial quarter		Three months	
	30.11.2014 RM'000	30.11.2013 RM'000	30.11.2014 RM'000	30.11.2013 RM'000
Profit net of tax	10,611	13,304	10,611	13,304
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	1,742	(8,521)	1,742	(8,521)
Net gain on fair value changes of available-for-sale investment securities	2,865	4,055	2,865	4,055
Share of other comprehensive income of an associate	1	7	1	7
Total other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	4,608	(4,459)	4,608	(4,459)
Total comprehensive income	15,219	8,845	15,219	8,845

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

Condensed consolidated statement of financial position
As at 30 November 2014

	30.11.2014	31.8.2014
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	45,456	45,893
Biological assets	75,732	74,934
Investments in associates	189,159	186,755
Investment in a joint venture	15,917	15,833
Investment securities	87,032	85,200
	<u>413,296</u>	<u>408,615</u>
Current assets		
Inventories	2,709	2,531
Receivables	5,932	7,028
Income tax recoverable	7	5
Cash and bank balances	228,406	217,319
	<u>237,054</u>	<u>226,883</u>
Total assets	<u>650,350</u>	<u>635,498</u>
Equity and liabilities		
Current liabilities		
Payables	9,818	9,701
Income tax payable	282	758
	<u>10,100</u>	<u>10,459</u>
Non-current liabilities		
Deferred tax liabilities	7,185	7,192
Total liabilities	<u>17,285</u>	<u>17,651</u>
Equity attributable to owners of the Company		
Share capital	91,363	91,363
Share premium	19,654	19,654
Other reserves	7,995	3,393
Retained profits	514,053	503,437
Total equity	<u>633,065</u>	<u>617,847</u>
Total equity and liabilities	<u>650,350</u>	<u>635,498</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>6.93</u>	<u>6.76</u>

Condensed consolidated statement of changes in equity
for the three months ended 30 November 2014

	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	Employee benefits plan reserve of a joint venture RM'000	Fair value adjustment reserve RM'000
At 1 September 2013	621,398	91,363	19,654	498,914	16,723	(27,128)	-	21,872
Profit for the period	13,304	-	-	13,304	-	-	-	-
Other comprehensive income/(loss)	(4,459)	-	-	-	-	(8,521)	-	4,062
Revaluation reserve of leasehold land realised	-	-	-	5	(5)	-	-	-
At 30 November 2013	630,243	91,363	19,654	512,223	16,718	(35,649)	-	25,934
At 1 September 2014	617,846	91,363	19,654	503,437	15,763	(35,952)	15	23,566
Profit for the period	10,611	-	-	10,611	-	-	-	-
Other comprehensive income	4,608	-	-	-	-	1,742	-	2,866
Revaluation reserve of leasehold land realised	-	-	-	5	(5)	-	-	-
At 30 November 2014	633,065	91,363	19,654	514,053	15,758	(34,210)	15	26,432

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

Condensed consolidated statement of cash flows
for the three months ended 30 November 2014

	30.11.2014	30.11.2013
	RM'000	RM'000
Operating activities		
Profit before tax	12,529	17,387
Adjustments for:		
Depreciation for property, plant and equipment	725	508
Dividend income	(553)	(436)
Interest income	(1,460)	(1,443)
Net fair value gain on available-for-sale investment securities (transferred from equity on disposal)	(1,036)	(365)
Share of results of associates	(999)	(1,175)
Share of results of a joint venture	254	1,127
Unrealised (gain)/loss on foreign exchange	(862)	181
Total adjustments	<u>(3,931)</u>	<u>(1,603)</u>
Operating cash flows before changes in working capital	8,598	15,784
Changes in working capital		
Decrease/(increase) in		
inventories	(178)	180
receivables	1,095	123
Increase in payables	117	1,992
Total changes in working capital	<u>1,034</u>	<u>2,295</u>
Cash flows from operations	9,632	18,079
Taxes paid	(2,403)	(1,740)
Net cash flows from operating activities	<u>7,229</u>	<u>16,339</u>
Investing activities		
Interest received	1,460	1,497
Increase in biological assets	(798)	-
Dividends received from investment securities	337	385
Purchase of property, plant and equipment	(288)	(1,007)
Purchase of investment securities	(2,272)	(3,075)
Proceeds from sale of investment securities	4,557	1,387
Net cash flows from/(used in) investing activities	<u>2,996</u>	<u>(813)</u>
Net increase in cash and cash equivalents	10,225	15,526
Effects of exchange rate changes on cash and cash equivalents	862	(181)
Cash and cash equivalents at beginning of period	<u>216,148</u>	<u>222,418</u>
Cash and cash equivalents at end of period	<u>227,235</u>	<u>237,763</u>

Notes to the interim financial report - 30 November 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 2014.

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 2014 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 2014. 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).

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 2017.

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 2018. 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 2015 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled 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 2018.

Notes to the interim financial report - 30 November 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 three months ended 30 November 2014:

	Hectares			
	30.11.2014	30.11.2013	30.11.2014	30.11.2013
Mature	10,139			
Replanting and immature	786			
	<u>10,925</u>			
	First financial quarter		Three months	
	30.11.2014	30.11.2013	30.11.2014	30.11.2013
Production (m/t)				
fresh fruit bunches				
Own	50,451	61,478	50,451	61,478
Purchase	6,797	4,358	6,797	4,358
	<u>57,248</u>	<u>65,836</u>	<u>57,248</u>	<u>65,836</u>
Crude palm oil	9,962	10,825	9,962	10,825
Palm kernel	2,674	3,131	2,674	3,131
Extraction Rate				
Crude palm oil	19.40%	18.84%	19.40%	18.84%
Palm kernel	5.21%	5.45%	5.21%	5.45%

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 2014.

A 6 Fair value changes of financial liabilities

As at 30 November 2014, 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 2014.

Notes to the interim financial report - 30 November 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:

	First financial quarter		Three months	
	30.11.2014	30.11.2013	30.11.2014	30.11.2013
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	27,721	34,922	27,721	34,922
Revenue from major customers	15,268	26,745	15,268	26,745
Reportable segment profit	7,874	15,276	7,874	15,276

Reportable segment profit is reconciled as follows:

Total profit for reportable segment	7,874	15,276	7,874	15,276
Share of results of associates	999	1,175	999	1,175
Share of results of a joint venture	(254)	(1,127)	(254)	(1,127)
Interest income	1,460	1,443	1,460	1,443
Dividend income	553	436	553	436
Other income	1,897	365	1,897	365
Other expenses	-	(181)	-	(181)
Profit before tax	12,529	17,387	12,529	17,387

	As at 30.11.2014 RM'000	As at 31.8.2014 RM'000
Reportable segment assets	130,134	131,592
Reportable segment liabilities	9,818	9,701

Reportable segment's assets are reconciled as follows:

	As at 30.11.2014 RM'000	As at 31.8.2014 RM'000
Total assets for reportable segment	130,134	131,592
Investments in associates	189,159	186,755
Investment in a joint venture	15,917	15,833
Investment securities	87,032	85,200
Unallocated assets	228,108	216,118
Total assets	650,350	635,498

Notes to the interim financial report - 30 November 2014

A 8 Segment information (cont'd.)

Reportable segment's liabilities are reconciled as follows:

	As at 30.11.2014 RM'000	As at 31.8.2014 RM'000
Total liabilities for reportable segment	9,818	9,701
Income tax payable	282	758
Deferred tax liabilities	7,185	7,192
Total liabilities	<u>17,285</u>	<u>17,651</u>

A 9 Property, plant and equipment

There were no significant acquisitions and disposals of property, plant and equipment for the three months ended 30 November 2014.

Capital commitments as at 30 November 2014: -

	RM'000
Approved but not contracted for	9,860
Approved and contracted for	<u>580</u>

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 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 2014.

A 13 Related party disclosures

	Three months 30.11.2014 RM'000
(a) Companies in which certain directors and substantial shareholders have interest: -	
Purchase of oil palm produce	865
Sale of oil palm produce	432
Marketing consultancy fee	<u>49</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 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

Revenue in the current financial quarter and three months period under review decreased by 20.62% to RM27,721,000 from RM34,922,000 when compared with the preceding year corresponding financial quarter and three months period mainly due to decreases in the average selling prices of ffb and crude palm oil and the sales volume of ffb, crude palm oil and palm kernel.

The production of ffb was lower. However, purchase of ffb was higher. Overall, production of crude palm oil and palm kernel were lower.

Other income was higher mainly due to an amount of gain on fair value changes of available-for-sale investment securities transferred from equity upon disposal and an amount of unrealised gain on foreign exchange.

Overall profit from share of results of associates was mainly due to positive contribution from an associate engaged in property development.

As reported previously, the investment in oil palm plantations in Lampung Province, Indonesia encountered a suspension in routine harvesting due to unrest in the villages located in the vicinity of the plantations. The plantations have commenced harvesting activities, however, the harvested areas are relatively small as at end of the first financial quarter.

Harvesting of newly mature fields in the oil palm plantation of the joint venture located in South Sumatera Province, Indonesia has been delayed due to the unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities.

Overall profit net of tax for the current financial quarter and three months period under review decreased by 20.24% to RM10,611,000 from RM13,304,000 mainly due to a decrease in revenue.

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 decreased by 7.01% to RM27,721,000 from RM29,810,000 when compared with the immediate preceding financial quarter. The average selling prices of ffb, crude palm oil and palm kernel were lower. The sales volume of ffb was lower, however, the sales volume of crude palm oil and palm kernel were higher.

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

Overall operating expenses were lower mainly due to a decrease in the replanting and immature expenses. Included in the preceding financial quarter's overall operating expenses was an amount of unrealised loss on foreign exchange which did not recur in the current financial quarter under review.

Overall profit from share of results of associates was lower mainly due to a lower profit contributed from investments engaged in oil palm plantation in Indonesia.

Overall profit before tax for the current financial quarter under review decreased by 8.45% to RM12,529,000 from RM13,685,000 mainly due to the abovementioned reasons.

Notes to the interim financial report - 30 November 2014

B 3 Prospects for financial year ending 31 August 2015

The selling prices of ffb and crude palm oil have weakened since the end of the financial year 2014. Should this trend continue, it would have a corresponding effect on the financial performance for the financial year ending 31 August 2015.

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 30.11.2014 RM'000	Three months 30.11.2014 RM'000
Income tax:		
Current provision	1,925	1,925
Deferred income tax	(7)	(7)
	<u>1,918</u>	<u>1,918</u>

The effective tax rate for the first financial quarter and three months under review were lower than the statutory rate mainly due to certain income which are not assessable for income tax purposes and the effect of share of results of associates.

B 6 Borrowings and debt securities

As at 30 November 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 Negeri 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.

As at 31 August 2014, the Company had subscribed 11,660,000 shares in Chin Thye Investment Pte Ltd for a total cash consideration of RM27,585,000.

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.

	30.11.2014 RM'000
Remaining capital and investment outlay	<u>22,815</u>

Notes to the interim financial report - 30 November 2014

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the three months period ended 30 November 2014.

B 9 Material litigation

There were no material litigations as at 31 August 2014 and at the date of issue of this interim financial report.

B 10 Dividends

(i) A first interim single tier dividend of 8% in respect of the financial year ending 31 August 2015 was declared on 31 December 2014 and will be paid on 30 January 2015.

(ii) The total dividends for the current financial year ending 31 August 2015:-

<u>Type of dividend</u>	<u>%</u>
First interim, single	<u>8.00</u>

(iii) The total dividends for the previous financial year ended 31 August 2014:-

<u>Type of dividend</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
	<u>%</u>	<u>%</u>	<u>%</u>
First interim	13.00	25.00	9.75
Special	17.00	25.00	12.75
Second interim, single tier	12.00	-	12.00
	<u>42.00</u>	<u>25.00</u>	<u>34.50</u>

B 11 Earnings per stock unit

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

	<u>First financial quarter</u>		<u>Three months</u>	
	<u>30.11.2014</u>	<u>30.11.2013</u>	<u>30.11.2014</u>	<u>30.11.2013</u>
Profit attributable to owners of the Company (RM'000)	<u>10,611</u>	<u>13,304</u>	<u>10,611</u>	<u>13,304</u>
Weighted average number of stock units ('000)	<u>91,363</u>	<u>91,363</u>	<u>91,363</u>	<u>91,363</u>
Earnings per stock unit (sen)				
Basic	11.61	14.56	11.61	14.56
Diluted	11.61	14.56	11.61	14.56

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 - 30 November 2014

B 12 Realised and unrealised profit/losses disclosure

	As at 30.11.2014 RM'000	As at 31.8.2014 RM'000
Total retained profits of the Company and its subsidiary		
Realised	462,318	453,281
Unrealised	2,076	1,241
	<u>464,394</u>	<u>454,522</u>
Total share of retained profits from associates		
Realised	58,464	57,465
Unrealised	332	332
Total share of (accumulated losses)/retained profits from a joint venture		
Realised	(9,223)	(8,966)
Unrealised	86	84
	<u>514,053</u>	<u>503,437</u>
Less: consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	<u>514,053</u>	<u>503,437</u>

B 13 Notes to condensed statement of comprehensive income

	First financial quarter 30.11.2014 RM'000	Three months 30.11.2014 RM'000
Interest income	1,460	1,460
Other income including investment income	553	553
Interest expense	-	-
Depreciation	(725)	(725)
Provision for and write off of receivables	-	-
Gain/(loss) on disposal of quoted investments	1,036	1,036
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	862	862
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

B 14 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 August 2014 was not qualified.

By Order of the Board

Gan Kok Tiong
 Company Secretary
 28 January 2015