

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

**Condensed consolidated statement of profit or loss**  
**For the first financial quarter ended 30 November 2015**

	First		Three months			
	financial quarter		30.11.2015		30.11.2014	
	30.11.2015	30.11.2014	30.11.2015	30.11.2014	30.11.2015	30.11.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	27,813	27,721	27,813	27,721		
Cost of sales	(13,393)	(13,178)	(13,393)	(13,178)		
Gross profit	14,420	14,543	14,420	14,543		
Interest income	1,443	1,460	1,443	1,460		
Dividend income	682	553	682	553		
Other income	650	1,980	650	1,980		
Selling expenses	(883)	(860)	(883)	(860)		
Administrative expenses	(5,062)	(4,969)	(5,062)	(4,969)		
Replanting expenses	(2,432)	(923)	(2,432)	(923)		
Share of results of associates	(729)	999	(729)	999		
Share of results of a joint venture	(309)	(254)	(309)	(254)		
Profit before tax	7,780	12,529	7,780	12,529		
Income tax expense	(1,794)	(1,918)	(1,794)	(1,918)		
Profit net of tax	5,986	10,611	5,986	10,611		
Earnings per stock unit (sen per stock unit)						
Basic	6.55	11.61	6.55	11.61		
Diluted	6.55	11.61	6.55	11.61		

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

**Condensed consolidated statement of comprehensive income**  
**For the first financial quarter ended 30 November 2015**

	<b>First financial quarter</b>		<b>Three months</b>	
	<b>30.11.2015</b>	<b>30.11.2014</b>	<b>30.11.2015</b>	<b>30.11.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit net of tax	5,986	10,611	5,986	10,611
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	1,909	1,742	1,909	1,742
Net (loss)/gain on fair value changes of available-for-sale investment securities	(1,011)	2,865	(1,011)	2,865
Share of other comprehensive income of an associate	9	1	9	1
Total other comprehensive income to be reclassified to profit or loss in subsequent periods	907	4,608	907	4,608
Total comprehensive income	6,893	15,219	6,893	15,219

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

**Condensed consolidated statement of financial position**  
**As at 30 November 2015**

	<b>30.11.2015</b>	<b>31.8.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	47,198	47,579
Biological assets	76,458	76,325
Investments in associates	196,278	195,554
Investment in a joint venture	17,182	17,026
Investment securities	93,297	90,451
	<u>430,413</u>	<u>426,935</u>
<b>Current assets</b>		
Inventories	5,219	4,530
Receivables	9,108	8,564
Income tax recoverable	337	727
Cash and bank balances	223,962	220,549
	<u>238,626</u>	<u>234,370</u>
<b>Total assets</b>	<u>669,039</u>	<u>661,305</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Payables	9,799	8,950
<b>Non-current liabilities</b>		
Deferred tax liabilities	7,259	7,267
<b>Total liabilities</b>	<u>17,058</u>	<u>16,217</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	91,363	91,363
Share premium	19,654	19,654
Other reserves	15,666	14,763
Retained profits	525,298	519,308
<b>Total equity</b>	<u>651,981</u>	<u>645,088</u>
<b>Total equity and liabilities</b>	<u>669,039</u>	<u>661,305</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>7.14</u>	<u>7.06</u>

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

Condensed consolidated statement of changes in equity  
For the three months ended 30 November 2015

	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	Other reserves, total RM'000	Asset revaluation reserve - land and biological assets RM'000	Foreign currency translation reserve RM'000	Employee benefits reserve of an associate and a joint venture RM'000	Fair value adjustment reserve RM'000
At 1 September 2014	617,847	91,363	19,654	503,437	3,393	15,763	(35,951)	15	23,566
Profit for the period	10,611	-	-	10,611	-	-	-	-	-
Other comprehensive income	4,608	-	-	-	4,608	-	1,742	-	2,866
Revaluation reserve of leasehold land realised	-	-	-	5	(5)	(5)	-	-	-
At 30 November 2014	633,066	91,363	19,654	514,053	7,996	15,758	(34,209)	15	26,432
At 1 September 2015	645,088	91,363	19,654	519,308	14,763	15,744	(27,597)	430	26,186
Profit for the period	5,986	-	-	5,986	-	-	-	-	-
Other comprehensive income	907	-	-	-	907	-	1,909	-	(1,002)
Revaluation reserve of leasehold land realised	-	-	-	4	(4)	(4)	-	-	-
At 30 November 2015	651,981	91,363	19,654	525,298	15,666	15,740	(25,688)	430	25,184

**Chin Teck Plantations Berhad (3250V)**  
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**Condensed consolidated statement of cash flows**  
**For the three months ended 30 November 2015**

	30.11.2015	30.11.2014
	RM'000	RM'000
<b>Operating activities</b>		
Profit before tax	7,780	12,529
Adjustments for:		
Depreciation for property, plant and equipment	775	725
Dividend income	(682)	(553)
Interest income	(1,443)	(1,460)
Net fair value gain on available-for-sale investment securities (transferred from equity on disposal)	-	(1,036)
Share of results of associates	729	(999)
Share of results of a joint venture	309	254
Unrealised (gain)/loss on foreign exchange	(484)	(862)
Total adjustments	(796)	(3,931)
Operating cash flows before changes in working capital	6,984	8,598
Changes in working capital		
(Increase)/decrease in		
inventories	(689)	(178)
receivables	(609)	1,095
Increase in payables	849	117
Total changes in working capital	(449)	1,034
Cash flows from operations	6,535	9,632
Taxes paid	(1,411)	(2,403)
Net cash flows from operating activities	5,124	7,229
<b>Investing activities</b>		
Interest received	1,507	1,460
Increase in biological assets	(133)	(798)
Dividends received from investment securities	630	337
Purchase of property, plant and equipment	(394)	(288)
Purchase of investment securities	(3,805)	(2,272)
Proceeds from sale of investment securities	-	4,557
Net cash flows (used in )/from investing activities	(2,195)	2,996
<b>Net increase in cash and cash equivalents</b>	2,929	10,225
<b>Effects of exchange rate changes on cash and cash equivalents</b>	484	862
<b>Cash and cash equivalents at beginning of period</b>	219,352	216,148
<b>Cash and cash equivalents at end of period</b>	222,765	227,235

**Notes to the interim financial report - 30 November 2015**

**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 paragraph 9.22 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 2015.

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 2015 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 2015. 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 2018.

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 2019. 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 2016 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 2019.

**Notes to the interim financial report - 30 November 2015**

**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 2015:

	Hectares			
Mature	9,496			
Replanting and immature	1,474			
	<u>10,970</u>			
	First financial quarter		Three months	
	30.11.2015	30.11.2014	30.11.2015	30.11.2014
Production (m/t)				
fresh fruit bunches				
Own	48,643	50,451	48,643	50,451
Purchase	8,476	6,797	8,476	6,797
	<u>57,119</u>	<u>57,248</u>	<u>57,119</u>	<u>57,248</u>
Crude palm oil	9,925	9,962	9,925	9,962
Palm kernel	2,686	2,674	2,686	2,674
Extraction Rate				
Crude palm oil	19.65%	19.40%	19.65%	19.40%
Palm kernel	5.32%	5.21%	5.32%	5.21%

**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 2015.

**A 6 Fair value changes of financial liabilities**

As at 30 November 2015, the Group did not have any financial liabilities measured at fair value through profit or loss.

**A 7 Dividends paid**

No dividends were paid during the three months ended 30 November 2015.

**Notes to the interim financial report - 30 November 2015**

**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	
	30.11.2015 RM'000	30.11.2014 RM'000	30.11.2015 RM'000	30.11.2014 RM'000
Revenue from external customers	27,813	27,721	27,813	27,721
Revenue from major customers	22,512	15,268	22,512	15,268
Reportable segment profit	6,209	7,874	6,209	7,874
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	6,209	7,874	6,209	7,874
Share of results of associates	(729)	999	(729)	999
Share of results of a joint venture	(309)	(254)	(309)	(254)
Interest income	1,443	1,460	1,443	1,460
Dividend income	682	553	682	553
Other income	484	1,897	484	1,897
Profit before tax	7,780	12,529	7,780	12,529

	As at 30.11.2015 RM'000	As at 31.8.2015 RM'000
Reportable segment assets	142,849	139,535
Reportable segment liabilities	9,799	8,950

Reportable segment's assets are reconciled as follows:

	As at 30.11.2015 RM'000	As at 31.8.2015 RM'000
Total assets for reportable segment	142,849	139,535
Investments in associates	196,278	195,554
Investment in a joint venture	17,182	17,026
Investment securities	93,297	90,451
Unallocated assets	219,433	218,739
Total assets	669,039	661,305

Reportable segment's liabilities are reconciled as follows:

	As at 30.11.2015 RM'000	As at 31.8.2015 RM'000
Total liabilities for reportable segment	9,799	8,950
Deferred tax liabilities	7,259	7,267
Total liabilities	17,058	16,217



**Notes to the interim financial report - 30 November 2015**

**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 2015.

Capital commitments as at 30 November 2015: -

	RM'000
Approved but not contracted for	<u>12,857</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 2015.

**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 2015.

**A 13 Related party disclosures**

	Three months 30.11.2015 RM'000
(a) Companies in which certain directors and substantial shareholders have interest: -	
Purchase of oil palm produce	121
Marketing consultancy fee	<u>46</u>
(b) An associate in which certain directors and substantial shareholders have interest: -	
Management fee	<u>884</u>

**Notes to the interim financial report - 30 November 2015**

**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 ended 30 November 2015

Revenue in the current financial quarter under review increased marginally by 0.33% to RM27,813,000 from RM27,721,000 a year ago. The average selling price of ffb was marginally higher. The average selling price of crude palm oil was lower, however, the average selling price of palm kernel was higher. The sales volume of ffb and palm kernel were higher, however, the sale volume of crude palm oil was lower.

Production of ffb was lower, however, purchase of ffb were higher. Overall, the production of crude palm oil was marginally lower and the production of palm kernel was marginally higher.

In the previous corresponding financial quarter, there was an amount of gain on sale of investment securities which did not recur in the current financial quarter under review and this resulted in a decrease in other income.

Overall operating expenses in the current financial quarter were higher mainly due to increase in replanting expenses.

The Group suffered an overall loss from its share of results of associates due mainly to an overall losses suffered by its investment in oil palm plantations in Indonesia.

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. As at end of first financial quarter the total harvested area was approximately 13% of total area planted. The milling operation resumed in early November 2015.

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 decreased by 43.59% to RM5,986,000 from RM10,611,000 due mainly to a decrease in other income and an increase in replanting expenses and an overall loss in share of results of associates.

**Notes to the interim financial report - 30 November 2015**

**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 increased by 10.61% to RM27,813,000 from RM25,146,000 when compared with the immediate preceding financial quarter due mainly to increase in the sales volume of crude palm oil. The average selling prices of ffb and crude palm oil were lower, however, the average selling price of palm kernel was higher.

Production of ffb was lower, however, purchase of ffb was higher. Overall, the production of crude palm oil and palm kernel were higher

Dividend income was lower.

Other income was lower due mainly to a lesser amount of gain on foreign exchange.

Overall operating expenses were higher.

The Group suffered an overall loss from its share of results of associates due mainly to loss suffered by its investment in oil palm plantations in Indonesia.

Overall, profit before tax decreased by 39.71% to RM7,780,000 from RM12,905,000 due mainly to decrease in dividend income and other income and an increase in overall operating expenses and an overall loss in share of results of associates.

**B 3 Prospects for financial year ending 31 August 2016**

The financial performance for the financial year ending 31 August 2016 would be affected by the current volatility of the selling prices of ffb, crude palm oil and palm kernel.

**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 30.11.2015 RM'000	Three months 30.11.2015 RM'000
Income tax:		
Current provision	1,801	1,801
Deferred income tax	(7)	(7)
	<u>1,794</u>	<u>1,794</u>

The effective tax rate for the first financial quarter under review was 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 and a joint venture.

**B 6 Borrowings and debt securities**

As at 30 November 2015, there were no borrowings and debt securities.

**Notes to the interim financial report - 30 November 2015**

**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.

As at 30 November 2015, 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.

	30.11.2015
	RM'000
Remaining capital and investment outlay	<u>22,815</u>

**B 8 Derivatives financial instruments**

There were no derivatives financial instruments transacted during the three months period ended 30 November 2015.

**B 9 Material litigation**

There were no material litigations as at 31 August 2015 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 2016 was declared on 4 January 2016 and will be paid on 29 January 2016.

(ii) The total dividends for the current financial year ending 31 August 2016:-

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

(iii) The total dividends for the previous financial year ended 31 August 2015:-

<u>Type of dividend</u>	%
First interim, single tier	8.00
Second interim, single tier	<u>8.00</u>
	<u>16.00</u>

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

**Notes to the interim financial report - 30 November 2015**

**B 11 Earnings per stock unit**

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

	First financial quarter		Three months	
	30.11.2015	30.11.2014	30.11.2015	30.11.2014
Profit attributable to owners of the Company (RM'000)	5,986	10,611	5,986	10,611
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	6.55	11.61	6.55	11.61
Diluted	6.55	11.61	6.55	11.61

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.

**B 12 Realised and unrealised profit/losses disclosure**

	As at 30.11.2015 RM'000	As at 31.8.2015 RM'000
Total retained profits of the Company and its subsidiary		
Realised	468,071	461,071
Unrealised	8,137	8,108
	<u>476,208</u>	<u>469,179</u>
Total share of retained profits from associates		
Realised	59,147	59,877
Unrealised	291	291
Total share of (accumulated losses)/retained profits from a joint venture		
Realised	(10,452)	(10,143)
Unrealised	104	104
	<u>525,298</u>	<u>519,308</u>
Less: consolidation adjustments	-	-
Total Group retained profits as per consolidated financial statement	<u>525,298</u>	<u>519,308</u>

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

**Notes to the interim financial report - 30 November 2015**

**B 13 Notes to condensed statement of comprehensive income**

	First financial quarter 30.11.2015 RM'000	Three months 30.11.2015 RM'000
Interest income	1,443	1,443
Other income including investment income	682	682
Interest expense	-	-
Depreciation	(775)	(775)
Provision for and write off of receivables	-	-
Gain/(loss) on disposal of quoted investments	-	-
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	484	484
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 2015 was not qualified.

By Order of the Board

Gan Kok Tiong  
Company Secretary  
27 January 2016