

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

**Condensed consolidated statement of profit or loss**  
**For the first financial quarter ended 30 November 2016**

	<b>First</b>		<b>Three months</b>	
	<b>30.11.2016</b>	<b>30.11.2015</b>	<b>30.11.2016</b>	<b>30.11.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	42,462	27,813	42,462	27,813
Cost of sales	(20,598)	(13,393)	(20,598)	(13,393)
Gross profit	21,864	14,420	21,864	14,420
Interest income	1,770	1,443	1,770	1,443
Dividend income	573	682	573	682
Other income	2,665	650	2,665	650
Selling expenses	(929)	(883)	(929)	(883)
Administrative expenses	(4,997)	(5,062)	(4,997)	(5,062)
Replanting expenses	(2,755)	(2,432)	(2,755)	(2,432)
Other expenses	(6)	-	(6)	-
Share of results of associates	1,410	(729)	1,410	(729)
Share of results of a joint venture	(295)	(309)	(295)	(309)
Profit before tax	19,300	7,780	19,300	7,780
Income tax expense	(3,568)	(1,794)	(3,568)	(1,794)
Profit net of tax	15,732	5,986	15,732	5,986
Earnings per stock unit (sen per stock unit)				
Basic	17.22	6.55	17.22	6.55
Diluted	17.22	6.55	17.22	6.55

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

**Condensed consolidated statement of comprehensive income**  
**For the first financial quarter ended 30 November 2016**

	<b>First</b>		<b>Three months</b>	
	<b>30.11.2016</b>	<b>30.11.2015</b>	<b>30.11.2016</b>	<b>30.11.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit net of tax	15,732	5,986	15,732	5,986
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	6,003	1,909	6,003	1,909
Net gain/(loss) on fair value changes of available-for-sale investment securities	9,128	(1,011)	9,128	(1,011)
Share of other comprehensive (loss)/income of an associate	(2)	9	(2)	9
Total other comprehensive income to be reclassified to profit or loss in subsequent periods, representing total other comprehensive income	15,129	907	15,129	907
Total comprehensive income	30,861	6,893	30,861	6,893

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

**Condensed consolidated statement of financial position**  
**As at 30 November 2016**

	<b>30.11.2016</b>	<b>31.8.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	45,234	45,559
Biological assets	76,803	76,739
Investments in associates	197,116	190,623
Investment in a joint venture	17,867	17,242
Investment securities	101,374	91,827
	<u>438,394</u>	<u>421,990</u>
<b>Current assets</b>		
Inventories	2,915	2,868
Receivables	13,906	11,618
Cash and bank balances	245,259	227,756
	<u>262,080</u>	<u>242,242</u>
<b>Total assets</b>	<u>700,474</u>	<u>664,232</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Payables	12,894	9,776
Income tax payable	2,466	195
	<u>15,360</u>	<u>9,971</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<u>7,171</u>	<u>7,179</u>
<b>Total liabilities</b>	<u>22,531</u>	<u>17,150</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	91,363	91,363
Share premium	19,654	19,654
Other reserves	28,729	13,605
Retained profits	538,197	522,460
<b>Total equity</b>	<u>677,943</u>	<u>647,082</u>
<b>Total equity and liabilities</b>	<u>700,474</u>	<u>664,232</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>7.42</u>	<u>7.08</u>

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

Condensed consolidated statement of changes in equity  
For the three months ended 30 November 2016

	Non-distributable			Distributable			Non-distributable																
	Equity attributable to owners of the Company, total			Retained profits			Other reserves, total			Asset revaluation reserve - land and biological assets			Foreign currency translation reserve			Employee benefits reserve of an associate and a joint venture			Fair value adjustment reserve				
	RM'000	Share capital RM'000	Share premium RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 September 2015	645,088	91,363	19,654	519,308	14,763																		
Profit for the period	5,986	-	-	5,986	-																		
Other comprehensive income	907	-	-	-	907																		
Revaluation reserve of leasehold land realised	-	-	-	4	(4)																		
Transaction with owners																							
At 30 November 2015	651,981	91,363	19,654	525,298	15,666																		
At 1 September 2016	647,082	91,363	19,654	522,460	13,605																		
Profit for the period	15,732	-	-	15,732	-																		
Other comprehensive income	15,129	-	-	-	15,129																		
Revaluation reserve of leasehold land realised	-	-	-	5	(5)																		
Transaction with owners																							
At 30 November 2016	677,943	91,363	19,654	538,197	28,729																		

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

**Condensed consolidated statement of cash flows**  
**For the three months ended 30 November 2016**

	<b>30.11.2016</b>	<b>30.11.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit before tax	19,300	7,780
Adjustments for:		
Depreciation for property, plant and equipment	763	775
Dividend income	(573)	(682)
Interest income	(1,770)	(1,443)
Share of results of associates	(1,410)	729
Share of results of a joint venture	295	309
Unrealised loss/(gain) on foreign exchange	(2,578)	(484)
Total adjustments	(5,273)	(796)
Operating cash flows before changes in working capital	14,027	6,984
Changes in working capital		
(Increase)/decrease in		
inventories	(47)	(689)
receivables	(1,584)	(609)
Increase in payables	3,118	849
Total changes in working capital	1,487	(449)
Cash flows from operations	15,514	6,535
Taxes paid	(1,305)	(1,411)
Net cash flows generated from operating activities	14,209	5,124
<b>Investing activities</b>		
Changes in deposits with maturity of more than 3 months	(22,028)	-
Interest received	1,064	1,507
Increase in biological assets	(64)	(133)
Dividends received from investment securities	526	630
Purchase of property, plant and equipment	(438)	(394)
Purchase of investment securities	(372)	(3,805)
Net cash flows used in from investing activities	(21,312)	(2,195)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(7,103)	2,929
<b>Effects of exchange rate changes on cash and cash equivalents</b>	2,578	484
<b>Cash and cash equivalents at beginning of period</b>	83,313	219,352
<b>Cash and cash equivalents at end of period</b>	78,788	222,765
Cash and cash equivalents at end of period comprise:		
Cash on hand and at banks	16,323	19,282
Deposits with financial institutions	228,936	204,680
	245,259	223,962
Less: deposits with maturity of more than 3 months	(166,471)	(1,197)
	78,788	222,765

**Notes to the interim financial report - 30 November 2016**

**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 2016.

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 2016 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 2016. 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 2017 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 2016**

**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 2016:

	Hectares			
Mature	9,000			
Replanting and immature	1,963			
	<u>10,963</u>			
	First financial quarter		Three months	
	30.11.2016	30.11.2015	30.11.2016	30.11.2015
Production (m/t)				
fresh fruit bunches				
Own	46,742	48,643	46,742	48,643
Purchase	15,631	8,476	15,631	8,476
	<u>62,373</u>	<u>57,119</u>	<u>62,373</u>	<u>57,119</u>
Crude palm oil	11,065	9,925	11,065	9,925
Palm kernel	2,819	2,686	2,819	2,686
Extraction Rate				
Crude palm oil	19.93%	19.65%	19.93%	19.65%
Palm kernel	5.08%	5.32%	5.08%	5.32%

**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 2016.

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

As at 30 November 2016, 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 2016.

**Notes to the interim financial report - 30 November 2016**

**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	
	30.11.2016	30.11.2015	30.11.2016	30.11.2015
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	42,462	27,813	42,462	27,813
Revenue from major customers	35,066	22,512	35,066	22,512
Reportable segment profit	12,400	6,209	12,400	6,209

Reportable segment profit is reconciled as follows:

Total profit for reportable segment	12,400	6,209	12,400	6,209
Share of results of associates	1,410	(729)	1,410	(729)
Share of results of a joint venture	(295)	(309)	(295)	(309)
Interest income	1,770	1,443	1,770	1,443
Dividend income	573	682	573	682
Other income	3,442	484	3,442	484
Profit before tax	19,300	7,780	19,300	7,780

	As at 30.11.2016 RM'000	As at 31.8.2016 RM'000
Reportable segment assets	138,251	136,052
Reportable segment liabilities	12,894	9,776

Reportable segment's assets are reconciled as follows:

	As at 30.11.2016 RM'000	As at 31.8.2016 RM'000
Total assets for reportable segment	138,251	136,052
Investments in associates	197,116	190,623
Investment in a joint venture	17,867	17,242
Investment securities	101,374	91,827
Unallocated assets	245,866	228,488
Total assets	700,474	664,232

Reportable segment's liabilities are reconciled as follows:

	As at 30.11.2016 RM'000	As at 31.8.2016 RM'000
Total liabilities for reportable segment	12,894	9,776
Income tax payable	2,466	195
Deferred tax liabilities	7,171	7,179
Total liabilities	22,531	17,150



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**Notes to the interim financial report - 30 November 2016**

**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 2016.

Capital commitments as at 30 November 2016: -

	RM'000
Approved but not contracted for	8,873
Approved and contracted for	760
	<u>9,633</u>

**A 10 Material events subsequent to first financial quarter**

Other than the declaration of the first interim single tier dividend of 9% which will be paid on 27 January 2017, 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 2016.

**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 2016.

**A 13 Related party disclosures**

	Three months 30.11.2016 RM'000
(a) Companies in which certain directors and substantial shareholders have interest: -	
Sale of oil palm produce	306
Marketing consultancy fee	47
	<u>          </u>
(b) An associate in which certain directors and substantial shareholders have interest: -	
Management fee	745
	<u>          </u>
(c) included in receivables is an amount due from: -	
A company in which certain directors and substantial shareholders have interest	<u>242</u>

**Notes to the interim financial report - 30 November 2016**

**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 2016

Revenue in the current financial quarter under review increased by 52.67% to RM42,462,000 from RM27,813,000 a year ago due to higher average selling prices and sales volume of ffb, crude palm oil and palm kernel.

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

Other income increased substantially mainly due to a higher amount of gains on foreign currency translation.

Overall operating expenses were higher mainly due to an increase in the purchase of ffb and replanting expenses.

Share of results of associates reversed from an overall loss to an overall profit mainly due to positive contribution from its investments engaged in oil palm plantations in Indonesia in the current financial quarter under review as compared with an overall loss in the previous corresponding financial quarter.

As reported previously, the investments 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 since commenced harvesting activities and mill operation. Total harvested area was approximately 41% of total area planted.

However, 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 increased by 162.81% to RM15,732,000 from RM5,986,000 mainly due to substantial improvement in the average selling prices of ffb, crude palm oil and palm kernel.

**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 30.75% to RM42,462,000 from RM32,476,000 when compared with the immediate preceding financial quarter due to higher average selling prices and sales volume of ffb, crude palm oil and palm kernel.

Production and purchase of ffb were higher. Correspondingly, the overall production of crude palm oil and palm kernel were higher.

Other income increased substantially mainly due to an amount of gains on foreign currency translation. In the preceding financial quarter, there was an amount of loss on foreign currency translation.

Overall operating expenses were higher mainly due to an increase in the purchase of ffb and replanting expenses.

Share of results of associates reversed from an overall loss to an overall profit mainly due to positive contribution from its investments engaged in oil palm plantations in Indonesia in the current financial quarter under review as compared with an overall loss in the preceding financial quarter.

Overall, profit before tax increased by 156% to RM19,300,000 from RM7,539,000 mainly due to substantial improvement in revenue and other income and an overall profit from share of results of associates.

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**Notes to the interim financial report - 30 November 2016**

**B 3 Prospects for financial year ending 31 August 2017**

The average selling prices of crude palm oil have strengthened since the end of the financial year 2016 and this would have a corresponding effect on the financial performance for the financial year ending 31 August 2017.

**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 30.11.2016 RM'000	Three months 30.11.2016 RM'000
Income tax:		
Current provision	3,576	3,576
Deferred income tax	(8)	(8)
	<u>3,568</u>	<u>3,568</u>

The effective tax rate was lower than the statutory rate mainly due to certain income which are not assessable for income tax purposes and the effect of shares or results of associates.

**B 6 Borrowings and debt securities**

As at 30 November 2016, 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.

As at 30 November 2016, 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.

	30.11.2016 RM'000
Remaining capital and investment outlay	<u>22,815</u>

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**Notes to the interim financial report - 30 November 2016**

**B 8 Derivatives financial instruments**

There were no derivatives financial instruments transacted during the three months period ended 30 November 2016.

**B 9 Material litigation**

There were no material litigations as at 31 August 2016 and at the date of issue of this interim financial report.

**B 10 Dividends**

(i) A first interim single tier dividend of 9% in respect of the financial year ending 31 August 2017 was declared on 30 December 2016 and will be paid on 27 January 2017.

(ii) The total dividends for the current financial year ended 31 August 2017:-

<u>Type of dividend</u>	<u>%</u>
First interim, single tier	9.00

(iii) The total dividends for the previous financial year ended 31 August 2016:-

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

**B 11 Earnings per stock unit**

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

	First financial quarter		Three months	
	30.11.2016	30.11.2015	30.11.2016	30.11.2015
Profit attributable to owners of the Company (RM'000)	15,732	5,986	15,732	5,986
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	17.22	6.55	17.22	6.55
Diluted	17.22	6.55	17.22	6.55

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.

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**Notes to the interim financial report - 30 November 2016**

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

	As at 30.11.2016 RM'000	As at 31.8.2016 RM'000
Total retained profits of the Company and its subsidiary		
Realised	474,118	471,202
Unrealised	8,551	(3,155)
	<u>482,669</u>	<u>468,047</u>
Total share of retained profits from associates		
Realised	55,984	58,050
Unrealised	166	291
Total share of (accumulated losses)/retained profits from a joint venture		
Realised	(11,337)	(11,037)
Unrealised	104	98
	<u>527,586</u>	<u>515,449</u>
Consolidation adjustments	10,611	7,011
Total Group retained profits as per consolidated financial statement	<u>538,197</u>	<u>522,460</u>

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

	First financial quarter 30.11.2016 RM'000	Three months 30.11.2016 RM'000
Interest income	1,770	1,770
Other income including investment income	573	573
Interest expense	-	-
Depreciation	(763)	(763)
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)	2,578	2,578
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 2016 was not qualified.

By Order of the Board

Gan Kok Tiong  
 Company Secretary  
 23 January 2017