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

Condensed consolidated statement of profit or loss
For the second financial quarter ended 28 February 2017

	Second financial quarter		Six months	
	28.2.2017	**29.2.2016**	**28.2.2017**	**29.2.2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	37,568	24,099	80,030	51,912
Cost of sales	(19,067)	(16,757)	(39,665)	(30,150)
Gross profit	18,501	7,342	40,365	21,762
Interest income	1,978	1,403	3,748	2,846
Dividend income	150	181	723	863
Other income	1,170	227	3,830	457
Selling expenses	(722)	(603)	(1,651)	(1,486)
Administrative expenses	(5,023)	(5,286)	(10,020)	(10,348)
Replanting expenses	(2,872)	(2,895)	(5,627)	(5,327)
Other expenses	(3,642)	(420)	(3,643)	-
Share of results of associates	1,766	558	3,176	(171)
Share of results of a joint venture	(345)	(508)	(640)	(817)
Profit/(loss) before tax	10,961	(1)	30,261	7,779
Income tax (expense)/credit	(2,852)	6	(6,420)	(1,788)
Profit net of tax	8,109	5	23,841	5,991
Earnings per stock unit (sen per stock unit)				
Basic	8.88	0.01	26.09	6.56
Diluted	8.88	0.01	26.09	6.56

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

Condensed consolidated statement of comprehensive income
For the second financial quarter ended 28 February 2017

	Second financial quarter		Six months	
	28.2.2017	**29.2.2016**	**28.2.2017**	**29.2.2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit net of tax	8,109	5	23,841	5,991
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax:				
Foreign currency translation	607	737	6,610	2,646
Net gain/(loss) on fair value changes of available-for-sale investment securities	6,632	(7,903)	15,760	(8,914)
Share of other comprehensive (loss)/income of an associate	-	(4)	(2)	5
Total other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax	7,239	(7,170)	22,368	(6,263)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax:				
Share of other comprehensive income of an associate, representing total other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	220	-	220	-
Total other comprehensive income/(loss)	7,459	(7,170)	22,588	(6,263)
Total comprehensive income/(loss)	15,568	(7,165)	46,429	(272)

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

Condensed consolidated statement of financial position
As at 28 February 2017

	28.2.2017 RM'000	31.8.2016 RM'000
Assets		
Non-current assets		
Property, plant and equipment	46,501	45,559
Biological assets	76,842	76,739
Investments in associates	199,523	190,623
Investment in a joint venture	14,064	17,242
Investment securities	105,674	91,827
	442,604	421,990
Current assets		
Inventories	2,856	2,868
Receivables	15,035	11,618
Cash and bank balances	246,338	227,756
	264,229	242,242
Total assets	706,833	664,232
Equity and liabilities		
Current liabilities		
Payables	10,953	9,776
Income tax payable	3,428	195
	14,381	9,971
Non-current liabilities		
Deferred tax liabilities	7,164	7,179
Total liabilities	21,545	17,150
Equity attributable to owners of the Company		
Share capital	91,363	91,363
Share premium	19,654	19,654
Other reserves	36,184	13,605
Retained profits	538,087	522,460
Total equity	685,288	647,082
Total equity and liabilities	706,833	664,232
Net assets per stock unit attributable to owners of the Company (RM)	7.50	7.08

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

Condensed consolidated statement of changes in equity
For the second financial quarter ended 28 February 2017

		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 plan reserve of an associate and a joint venture RM'000	Fair value adjustment reserve RM'000
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	5,991	-	-	5,991	-	-	-	-	-
Other comprehensive income	(6,263)	-	-	-	(6,263)	-	2,646	-	(8,909)
Revaluation reserve of leasehold land realised	-	-	-	9	(9)	(9)	-	-	-
Transaction with owners									
Dividends, representing total transactions with owners	(7,309)	-	-	(7,309)	-	-	-	-	-
At 29 February 2016	637,507	91,363	19,654	517,999	8,491	15,735	(24,951)	430	17,277
At 1 September 2016	647,082	91,363	19,654	522,460	13,605	15,726	(25,821)	270	23,430
Profit for the period	23,841	-	-	23,841	-	-	-	-	-
Other comprehensive income	22,588	-	-	-	22,588	-	6,610	220	15,758
Revaluation reserve of leasehold land realised	-	-	-	9	(9)	(9)	-	-	-
Transaction with owners									
Dividends, representing total transactions with owners	(8,223)	-	-	(8,223)	-	-	-	-	-
At 28 February 2017	685,288	91,363	19,654	538,087	36,184	15,717	(19,211)	490	39,188

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

Condensed consolidated statement of cash flows
For the second financial quarter ended 28 February 2017

	Six months	
	28.2.2017	**29.2.2016**
	RM'000	**RM'000**
Operating activities		
Profit before tax	30,261	7,779
Adjustments for:		
Depreciation for property, plant and equipment	1,519	1,571
Dividend income	(723)	(863)
Gain on sale of property, plant and equipment	(299)	-
Interest income	(3,748)	(2,846)
Net fair value gain on available-for-sale investment securities (transferred from equity on disposal)	(99)	(71)
Property, plant and equipment written off	39	-
Provision for impairment loss on investment in a joint venture	3,642	
Share of results of associates	(3,176)	171
Share of results of a joint venture	640	817
Unrealised gain on foreign exchange	(3,110)	(64)
Total adjustments	(5,315)	(1,285)
Operating cash flows before changes in working capital	24,946	6,494
Changes in working capital		
(Increase)/decrease in		
inventories	12	459
receivables	(2,402)	926
Increase/(decrease) in payables	1,177	(416)
Total changes in working capital	(1,213)	969
Cash flows from operations	23,733	7,463
Taxes paid	(3,202)	(2,824)
Net cash flows generated from operating activities	20,531	4,639
Investing activities		
Changes in deposits with maturity of more than 3 months	(40,958)	-
Interest received	2,733	2,919
Increase in biological assets	(103)	(235)
Dividends received from investment securities	664	800
Purchase of property, plant and equipment	(2,553)	(980)
Purchase of investment securities	(394)	(5,440)
Proceeds from sale of property, plant and equipment	352	-
Proceeds from sale of investment securities	2,465	1,623
Net cash flows used in from investing activities	(37,794)	(1,313)
Financing activity		
Dividends paid to owners of the Company, representing total cash flows used in financing activity	(8,223)	(7,309)
Net decrease in cash and cash equivalents	(25,486)	(3,983)
Effects of exchange rate changes on cash and cash equivalents	3,110	64
Cash and cash equivalents at beginning of period	83,313	219,352
Cash and cash equivalents at end of period	60,937	215,433
Cash and cash equivalents at end of period comprise:		
Cash on hand and at banks	17,670	19,773
Deposits with financial institutions	228,668	196,857
	246,338	216,630
Less: deposits with maturity of more than 3 months	(185,401)	(1,197)
	60,937	215,433

Notes to the interim financial report - 28 February 2017

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.

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 2017:

	Hectares
Mature	8,888
Replanting and immature	2,075
	10,963

	Second financial quarter		Six months	
	28.2.2017	29.2.2016	28.2.2017	29.2.2016
Production (m/t)				
fresh fruit bunches				
Own	35,615	29,000	82,357	77,643
Purchase	12,572	6,809	28,203	15,285
	48,187	35,809	110,560	92,928
Crude palm oil	8,314	6,582	19,379	16,507
Palm kernel	2,201	1,681	5,020	4,367
Extraction Rate				
Crude palm oil	19.40%	20.07%	19.70%	19.81%
Palm kernel	5.14%	5.13%	5.10%	5.24%

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 2017.

A 6 Fair value changes of financial liabilities

As at 28 February 2017, 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 2017:

In respect of financial year ending 31 August 2017:

	RM'000
A first interim single tier dividend of 9% paid on 27 January 2017	8,223

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:

	Second financial quarter		Six months	
	28.2.2017	29.2.2016	28.2.2017	29.2.2016
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	37,568	24,099	80,030	51,912
Revenue from major customers	26,485	19,774	56,032	42,286
Reportable segment profit/(loss)	10,071	(1,286)	23,335	4,923
Reportable segment profit/(loss) is reconciled as follows:				
Total profit/(loss) for reportable segment	10,071	(1,286)	23,335	4,923
Share of results of associates	1,766	558	3,176	(171)
Share of results of a joint venture	(345)	(508)	(640)	(817)
Interest income	1,978	1,403	3,748	2,846
Dividend income	150	181	723	863
Other income	983	71	3,561	135
Other expenses	(3,642)	(420)	(3,642)	-
Profit/(loss) before tax	10,961	(1)	30,261	7,779

	As at 28.2.2017	As at 31.8.2016
	RM'000	RM'000
Reportable segment assets	140,986	136,052
Reportable segment liabilities	10,953	9,776

Reportable segment's assets are reconciled as follows:

	As at 28.2.2017	As at 31.8.2016
	RM'000	RM'000
Total assets for reportable segment	140,986	136,052
Investments in associates	199,523	190,623
Investment in a joint venture	14,064	17,242
Investment securities	105,674	91,827
Unallocated assets	246,586	228,488
Total assets	706,833	664,232

Reportable segment's liabilities are reconciled as follows:

	As at 28.2.2017	As at 31.8.2016
	RM'000	RM'000
Total liabilities for reportable segment	10,953	9,776
Income tax payable	3,428	195
Deferred tax liabilities	7,164	7,179
Total liabilities	21,545	17,150

A 9 Property, plant and equipment

There were no significant acquisitions and disposals of property, plant and equipment for the six months ended 28 February 2017.

Capital commitments as at 28 February 2017: -

	RM'000
Approved but not contracted for	7,034
Approved and contracted for	369
	7,403

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 2017.

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

		Six months 28.2.2017 RM'000
(a)	Companies in which certain directors and substantial shareholders have interest: -	
	Sale of oil palm produce	805
	Service charge on seedling cultivation	128
	Marketing consultancy fee	97
(b)	An associate in which certain directors and substantial shareholders have interest: -	
	Management fee	1,497
(c)	included in receivables is an amount due from: -	
	A company in which certain directors and substantial shareholders have interest	207

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 2017

Revenue in the current financial quarter under review increased by 55.89% to RM37,568,000 from RM24,099,000 a year ago mainly due to higher average selling prices of ffb, crude palm oil and palm kernel.

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

Other income increased substantially mainly due to gains on foreign currency translation and sale of property, plant and equipment.

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

Share of results of associates were higher mainly due to positive contribution from its investments engaged in oil palm plantations in Indonesia.

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 area accessed was approximately 40% of total area planted.

However, as reported previously, 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 unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities. This has resulted in the joint venture suffering losses. In view of this situation, the Group has provided for impairment in its investment in the joint venture amounting to RM3,642,000 in the current financial quarter under review.

Overall, profit net of tax increased to RM8,109,000 from RM5,000.

Cumulative six months period ended 28 February 2017

Revenue in the current cumulative six months period under review increased by 54.16% to RM80,030,000 from RM51,912,000 a year ago 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 production of crude palm oil and palm kernel were higher.

Other income increased substantially mainly due to gain on foreign currency translation.

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

Share of results of associates were higher mainly due to a positive contribution from its investments engaged in oil palm plantations in Indonesia as compared with a loss in the previous corresponding period.

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 area accessed was approximately 40% of total area planted.

However, as reported previously, 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 unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities. This has resulted in the joint venture suffering losses. In view of this situation, the Group has provided for impairment in its investment in the joint venture amounting to RM3,642,000 in the current financial periods under review.

Overall, profit net of tax increased to RM23,841,000 from RM5,991,000.

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 decreased by 11.53% to RM37,568,000 from RM42,462,000 when compared with the immediate preceding financial quarter due to lower sales volume of ffb, crude palm oil and palm kernel even though the average selling prices of ffb, crude palm oil and palm kernel were higher.

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

Other income decreased mainly due to lesser amount of gain on foreign currency translation.

As reported previously, 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 unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities. This has resulted in the joint venture suffering losses. In view of this situation, the Group has provided for impairment in its investment in the joint venture amounting to RM3,642,000 in the current financial quarter under review.

Overall, profit before tax decreased by 43.21% to RM10,961,000 from RM19,300,000 mainly due to decrease in revenue, and the provision for impairment loss on investment in a joint venture.

B 3 Prospects for financial year ending 31 August 2017

The overall average selling prices of crude palm oil for the financial year 2017 are expected to be higher than that in the previous financial year 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

	Second financial quarter 28.2.2017 RM'000	Six months 28.2.2017 RM'000
Income tax:		
Current provision	2,859	6,435
Deferred income tax	(7)	(15)
	2,852	6,420

The effective tax rate was higher than the statutory rate for the second financial quarter under review due mainly to certain expenses which are not deductible for income tax purposes. The effective tax rate was lower than the statutory rate for the six months period under review due mainly to certain income which are not assessable for income tax purposes.

B 6 Borrowings and debt securities

As at 28 February 2017, 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 28 February 2017, 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 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.

	28.2.2017
	RM'000
Remaining capital and investment outlay	22,815

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the six months period ended 28 February 2017.

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 paid on 27 January 2017.

(ii) No further interim dividend has been declared in respect of the six months ended 28 February 2017.

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

Type of dividend	%
First interim, single tier	9.00

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

Type of dividend	%
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: -

	Second financial quarter		Six months	
	28.2.2017	29.2.2016	28.2.2017	29.2.2016
Profit attributable to owners of the Company (RM'000)	8,109	5	23,841	5,991
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	8.88	0.01	26.09	6.56
Diluted	8.88	0.01	26.09	6.56

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.

B 12 Realised and unrealised profit/losses disclosure

	As at 28.2.2017 RM'000	As at 31.8.2016 RM'000
Total retained profits of the Company and its subsidiary		
Realised	475,802	471,202
Unrealised	8,978	(3,155)
	484,780	468,047
Total share of retained profits from associates		
Realised	57,750	58,050
Unrealised	166	291
Total share of (accumulated losses)/retained profits from a joint venture		
Realised	(11,682)	(11,037)
Unrealised	104	98
	531,118	515,449
Consolidation adjustments	6,969	7,011
Total Group retained profits as per consolidated financial statements	538,087	522,460

B 13 Notes to condensed statement of comprehensive income

	Second financial quarter 28.2.2017 RM'000	Six months 28.2.2017 RM'000
Interest income	1,978	3,748
Other income including investment income	150	723
Interest expense	-	-
Depreciation	(756)	(1,519)
Provision for and write off of receivables	-	-
Gain/(loss) on disposal of quoted investments	99	99
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment loss on investment in a joint venture	(3,642)	-
Foreign exchange gain or (loss)	532	3,110
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 2016 was not qualified.

By Order of the Board

Gan Kok Tiong
Company Secretary
28 April 2017