

Annual Report **1999**

CHIN TECK PLANTATIONS BERHAD

(Company No. 3250-V)

Incorporated In Malaysia

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

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CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

FINANCIAL HIGHLIGHT AND FINANCIAL CALENDAR

FINANCIAL HIGHLIGHT - GROUP

	1999	1998
	RM'000	RM'000
Turnover	108,293	92,634
Operating profit	64,795	51,812
Share of results of associated companies	107	1,344
Profit before taxation	64,902	53,156
Taxation	1,262	(14,450)
Profit for the year attributable to shareholders	66,164	38,706
Dividends	16,038	20,047
Issued and paid-up share capital	55,688	55,688
Shareholders' funds	336,856	287,039
Earnings per stock unit	118.8 sen	69.5 sen
Gross dividends	40%	50%
Dividend cover (times)	4.1	1.9
Net tangible assets per stock unit	RM6.05	RM5.15

FINANCIAL CALENDAR

Financial year	1 September, 1998 to 31 August, 1999
Announcement of results	
Half year ended 28 February, 1999	15 May, 1999
Full year ended 31 August, 1999	29 October, 1999
Dividends payment	
First interim	5 July, 1999
Second interim	4 January, 2000
Issue of 1999 Annual Report	30 December, 1999
Forty First Annual General Meeting	21 January, 2000

CHIN TECK PLANTATIONS BERHAD (3250V)
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty First Annual General Meeting of the Company will be held at Ming 3 & 4, MingCourt Vista Hotel, Jalan Ampang, 50450 Kuala Lumpur on Friday, 21 January, 2000 at 12.00 noon for the following purposes: -

1. To receive and adopt the audited accounts for the year ended 31 August, 1999 and reports of the directors and auditors thereon.
2. To approve the directors' remuneration for the year ended 31 August, 1999.
3. To re-elect the following directors retiring under the provisions of the Articles of Association of the Company: -
 - (i) Mr Goh Eng Chew
 - (ii) Mr Goh Pock Ai
 - (iii) Dr Gan Kim Leng

(Mr Chew Heng Chun who retires at the Forty First Annual General Meeting has indicated to the Board that he does not wish to seek re-election.)

4. To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: -

"That Mr Wong Aun Phui, who retires pursuant to Section 129 of the Companies Act, 1965 be re-appointed a director of the Company to hold office until the next Annual General Meeting of the Company."
5. To re-appoint auditors and authorise the directors to fix their remuneration.
6. To transact any other ordinary business of the Company of which proper notice shall have been given to the Company.

By Order of the Board

Gan Kok Tiong
Company Secretary

Kuala Lumpur
30 December, 1999

NOTES:

1. A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. If the member is a corporation, the Form of Proxy must be executed under its common seal or under the hand of a person duly authorised in writing.
3. The Form of Proxy must be deposited at the Registered Office, No. 107-1 Changkat Tambi Dollah, 55100 Kuala Lumpur not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.

CHIN TECK PLANTATIONS BERHAD (3250V)
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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN

Goh Eng Chew

EXECUTIVE DIRECTORS

Wong Aun Phui

Goh Pock Ai

DIRECTORS

Goh Beng Hwa

Chew Heng Chun

Goh Lei Eng

Dr Goh Han Teng P.B.M., O.ST.J., F.I.M.G.T., D.DG.,
M.O.I.F., A.I.M.(P.C.), L.F.A.B.I.

Gho Lian Chin

Sio Sit Po

Goh Yeok Beng

Dr Gan Kim Leng B.D.S.

ALTERNATE DIRECTORS

Goh Seh Kiat (alternate to Goh Lei Eng)

Goh Wei Lei (alternate to Goh Eng Chew)

Gho Bun Tjin (alternate to Gho Lian Chin)

AUDIT COMMITTEE

CHAIRMAN

Goh Beng Hwa (Independent Non-Executive Director)

MEMBERS

Dr Gan Kim Leng (Independent Non-Executive Director)

Wong Aun Phui (Executive Director)

COMPANY SECRETARY

Gan Kok Tiong B.Commerce (Accounting)(Hons.),
PA(M), CPA

REGISTERED OFFICE

107-1, Changkat Tambi Dollah

55100 Kuala Lumpur

Telephone: 03-2488901

Fax: 03-2428195

AUDITORS

Arthur Andersen & Co.

Public Accountants

PRINCIPAL BANKERS

Malayan Banking Berhad

Hong Leong Bank Berhad

REGISTRAR AND MANAGING AGENT

Sin Thye Management Sdn Bhd

107-1, Changkat Tambi Dollah

55100 Kuala Lumpur

Telephone: 03-2488901

Fax: 03-2428195

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange

CHIN TECK PLANTATIONS BERHAD (3250V)
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GROUP FINANCIAL PROFILE

	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit and Loss Account					
Turnover	75,556	71,559	79,941	92,634	108,293
Operating profit	42,854	39,424	45,064	51,812	64,795
Share of results of associated companies	63	19	578	1,344	107
Profit before taxation	42,917	39,443	45,642	53,156	64,902
Taxation	(12,814)	(11,069)	(12,421)	(14,450)	1,262
Profit after taxation	30,103	28,374	33,221	38,706	66,164
Extraordinary items	1,590	47,369	-	-	-
Profit for the year attributable to shareholders	31,693	75,743	33,221	38,706	66,164
Transfer from / (to) capital reserve	373	6,941	(2)	-	(3,537)
	32,066	82,684	33,219	38,706	62,627
Retained profits brought forward	39,061	61,382	134,321	155,845	174,504
Profits available for appropriation	71,127	144,066	167,540	194,551	237,131
Dividends	(9,745)	(9,745)	(11,695)	(20,047)	(16,038)
Retained profits carried forward	61,382	134,321	155,845	174,504	221,093
Balance Sheet					
Current Assets					
Cash and bank balances	3,354	2,666	4,422	3,529	3,139
Deposits with financial institutions	41,998	86,287	73,291	81,481	117,038
Trade debtors	3,197	3,958	3,693	4,633	4,593
Other debtors	1,780	1,446	1,772	4,148	3,648
Stocks	1,452	2,436	2,284	2,646	3,624
	51,781	96,793	85,462	96,437	132,042
Current Liabilities					
Trade creditors	1,731	1,743	1,698	3,278	2,375
Other creditors	8,698	3,017	3,139	4,174	5,899
Taxation	13,366	19,048	12,287	18,655	4,520
Dividend payable	6,627	6,627	8,576	15,236	8,821
	30,422	30,435	25,700	41,343	21,615
Net current assets	21,359	66,358	59,762	55,094	110,427
Investments	19,108	47,283	77,537	102,746	98,538
Fixed assets	141,271	134,525	132,976	131,907	130,599
Deferred taxation	(1,307)	(1,737)	(2,319)	(2,563)	(2,563)
Retirement benefits	(145)	(145)	(145)	(145)	(145)
	180,286	246,284	267,811	287,039	336,856
Shareholders' Funds					
Share capital	55,688	55,688	55,688	55,688	55,688
Reserves	124,598	190,596	212,123	231,351	281,168
	180,286	246,284	267,811	287,039	336,856
Earnings per stock unit (sen)	54.1	51.0	59.7	69.5	118.8
Net tangible assets per stock unit (RM)	3.24	4.42	4.81	5.15	6.05
Gross dividend (%)	25	25	30	50	40
Dividend cover (times)	3.1	2.9	2.8	1.9	4.1

CHIN TECK PLANTATIONS BERHAD (3250V)
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PLANTATIONS STATISTICS

	1995	1996	1997	1998	1999
PLANTED AREA (HECTARES)					
As at 31, August					
Mature	11,510	11,231	10,819	10,466	10,750
Immature	265	544	935	1,123	788
	<u>11,775</u>	<u>11,775</u>	<u>11,754</u>	<u>11,589</u>	<u>11,538</u>
PRODUCTION (M/T)					
ffb - own estates	211,491	214,505	235,466	177,160	200,668
- purchased	29,603	34,794	39,350	37,874	49,312
	<u>241,094</u>	<u>249,299</u>	<u>274,816</u>	<u>215,034</u>	<u>249,980</u>
 Crude palm oil	 45,010	 47,786	 54,746	 43,206	 49,344
Palm kernel	14,472	14,539	16,155	12,466	13,898
 EXTRACTION RATE (%)					
Crude palm oil	18.67	19.17	19.92	20.09	19.74
Palm kernel	6.00	5.83	5.88	5.80	5.56

CHIN TECK PLANTATIONS BERHAD (3250V)
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CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Chin Teck Plantations Berhad, I have great pleasure to present the Annual Report and the Audited Accounts of the Company and of the Group for the financial year ended 31 August, 1999.

FINANCIAL RESULTS

During the financial year under review, the Group achieved a marked improvement in turnover and operating profit. Turnover of the Group increased by 16.90% to RM108,293,014 and operating profit increased by 25.06% to RM64,795,384. After taking into account the results of associated companies, profit before taxation increased by 22.09% to RM64,902,161.

The improvement in the turnover and profit was due to the high average selling prices of crude palm oil and palm kernel achieved and higher sales volume recorded as the result of an increase in the production of crude palm oil and palm kernel.

In accordance with the provisions of the Income Tax (Amendment) Act, 1999, there is no tax charge for the financial year ended 31 August, 1999. This has a positive impact on the earnings and profit for the year attributable to shareholders increased by 70.94% to RM66,163,652 or an earnings per stock unit of 118.8 sen.

Shareholders' funds increased by 17.35% to RM336,855,770.

DIVIDENDS

The Board has declared a second interim dividend of 22% less 28% taxation for the financial year ended 31 August, 1999 payable on 4 January, 2000. Together with the first interim dividend of 18% less 28% taxation paid on 5 July, 1999, the total dividends for the year are 40% less 28% taxation. (1998: 50% less 28% taxation i.e a first interim dividend of 12% less 28% taxation, a second interim of 18% less 28% taxation and a special interim dividend of 20% less 28% taxation). In view of the declaration of the second interim dividend, the Board has not recommended any final dividend in respect of the financial year ended 31 August, 1999.

OPERATION REVIEW

Jemima & Sungei Sendayan Estate

Production of ffb increased by 10.63% from 46,648 m/t to 51,608 m/t. Purchases of ffb also increased by 32.31% from 18,338 m/t to 24,263 m/t. Accordingly, production of crude palm oil increased by 15.36 % from 12,126 m/t to 13,988 m/t and production of palm kernel increased by 10.11% from 3,698 m/t to 4,072 m/t.

Gua Musang Estate

Production of ffb increased by 59.77% from 4,156 m/t to 6,640 m/t. Purchases of ffb also increased by 28.22% from 19,536 m/t to 25,049 m/t. Accordingly, production of crude palm oil increased by 27.49% from 4,504 m/t to 5,742 m/t and production of palm kernel increased by 25.45% from 1,261 m/t to 1,582 m/t.

Approximately 758 acres of replanted fields attained maturity during the year bringing the total mature area in the replanted fields to 1,611 acres. Another 895 acres is expected to attain maturity in Year 2000.

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CHAIRMAN'S STATEMENT

Keratong Estate

Production of ffb increased by 12.71% from 126,356 m/t to 142,420 m/t. Accordingly, production of crude palm oil increased by 11.43% from 26,576 m/t to 29,614 m/t and production of palm kernel increased by 9.82% from 7,507 m/t to 8,244 m/t.

ASSOCIATED COMPANIES

Global Formation (M) Sdn Bhd – Joint venture on oil palm plantations in Indonesia

The plantation development is progressing well. Approximately 4,910 hectares of land in the estate at Padang, Sumatera have been cleared with 4,436 hectares planted. Another 5,974 hectares of land in the estates at Lampung, Sumatera have been cleared with 3,729 hectares planted.

West Synergy Sdn Bhd – Joint venture on property development

Sales of residential houses with freehold titles at affordable prices have progressed satisfactorily notwithstanding the economic slow down during the last two years. During the period under review, a total of 657 units were launched of which approximately 78% have been sold.

The company plans to launch shop-office units (also with freehold title) for sale in the near future and a good response is expected in view of the increasing population in the development.

Gaeronic Pte Ltd – Joint venture on food manufacturing in People's Republic of China

Gaeronic Pte Ltd, a 24.88% owned associated company, incorporated a new subsidiary, Chengdu New Yaohua Food Co., Ltd. Gaeronic Pte Ltd has three subsidiary companies engaged in food manufacturing in People's Republic of China.

	<u>Equity held by Gaeronic Pte Ltd</u>
Chengdu Huada Food Co., Ltd	52.77%
Zhoukou Yuda Foodstuffs Co., Ltd	52.60%
Chengdu New Yaohua Food Co., Ltd.	58.23%

The companies are performing satisfactory.

BOARD OF DIRECTORS

Mr Gan Kim Toon resigned as director on 29 October, 1999. Mr Gan was also a member of the Audit Committee.

Mr Chew Heng Chun who retires at the forthcoming Annual General Meeting in accordance with the Articles of Association of the Company has indicated to the Board that he does not wish to seek re-election.

On behalf of the Board, I would like to express our appreciation for their service and contributions made during their term of office.

I would like to take this opportunity to welcome Dr Gan Kim Leng who joined the Board on 29 October, 1999. Dr Gan Kim Leng has also been appointed to the Audit Committee.

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CHAIRMAN'S STATEMENT

CORPORATE DEVELOPMENT

As reported in the previous year, the Company entered into a Conditional Agreement with a third party for the sale of shares in Soctek Sdn. Bhd., a company incorporated in Malaysia, wherein the Company is disposing 1,721,250 ordinary shares of RM1 each in Soctek Sdn. Bhd., at a consideration of approximately RM7,832,000. Although the approval from the relevant authorities has been obtained, the final determination of the consideration will be on the basis of the net assets value of Soctek Sdn. Bhd., at the completion date. The finalisation of Completion Accounts is still in progress.

YEAR 2000 COMPUTER ISSUE

The Group has taken the necessary measures to ensure that business operations of the Group are not affected by the anticipated Year 2000 computer problem. The new computerised accounting system, which is Year 2000 compliant has been installed and implemented. The Year 2000 computer issue would not have a significant impact on the Group as the operations of the Group are not critically dependent on computerised applications.

OUTLOOK FOR YEAR 2000

The price of crude palm oil has weakened substantially since its high of last year and correspondingly the results for the financial year ending 31 August, 2000 is expected to be lower.

APPRECIATION

On behalf of the Board of Directors, I would like to thank the management and staff for the good results achieved for the year. I must also thank our suppliers and customers for their co-operation and support.

Goh Eng Chew
Executive Chairman

Dated: 29 October, 1999

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AUDIT COMMITTEE

The Audit Committee was formed on 25 June, 1994.

The composition of the Audit Committee is as follows: -

Chairman	Goh Beng Hwa (Independent Non-Executive Director)
Members	Dr Gan Kim Leng (Independent Non-Executive Director)
	Wong Aun Phui (Executive Director)

The functions of the Audit Committee shall be: -

- (a) to review with the external auditors
 - the audit plan
 - their evaluation of the system of internal accounting controls
 - the audit report
- (b) to review the assistance given by the Company's officers to the auditors
- (c) to review the consolidated accounts of the Group and the accounts of the Company and thereafter to submit them to the Board of Directors of the Company
- (d) to review any related party transactions that may arise within the Company and the Group
- (e) to nominate persons for appointment as auditors of the Company and its subsidiary
- (f) to perform such other functions as may be agreed to by the Board of Directors and the Audit Committee

CHIN TECK PLANTATIONS BERHAD (3250V)
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DIRECTORS' REPORT

The directors hereby submit their report together with the audited accounts of the Company and of the Group for the financial year ended 31 August, 1999.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to cultivate, process and sell crude palm oil and palm kernel.

The principal activity of the subsidiary is described in Note 8 to the accounts.

There have been no significant changes in these activities during the financial year.

RESULTS

	<u>Group</u> RM	<u>Company</u> RM
Profit for the year attributable to shareholders of the Company	66,163,652	66,138,604
Transfer to capital reserve	(3,536,724)	(3,536,724)
	<u>62,626,928</u>	<u>62,601,880</u>
Retained profits brought forward	174,503,969	172,945,651
Profits available for appropriation	237,130,897	235,547,531
Dividends	(16,038,000)	(16,038,000)
Retained profits carried forward	<u><u>221,092,897</u></u>	<u><u>219,509,531</u></u>

DIVIDENDS

The amount of dividends paid or declared by the Company since 31 August, 1998 were as follows:

	RM
In respect of the financial year ended 31 August, 1998	
Second interim dividend of 18% less 28% taxation paid on 28 January, 1999	7,217,100
Special interim dividend of 20% less 28% taxation paid on 28 January, 1999	8,019,000
	<u><u>15,236,100</u></u>
In respect of the financial year ended 31 August, 1999	
First interim dividend of 18% less 28% taxation paid on 5 July, 1999	7,217,100
Second interim dividend of 22% less 28% taxation declared on 29 October, 1999	8,820,900
	<u><u>16,038,000</u></u>

In view of the declaration of the second interim dividend, the directors do not recommend any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 12 to the accounts.

CHIN TECK PLANTATIONS BERHAD (3250V)
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DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the profit and loss accounts and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts or require the amount provided for doubtful debts in the accounts of the Company and of the Group inadequate to any substantial extent.

CURRENT ASSETS

Before the profit and loss accounts and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business their values as shown in the accounting records of the Company and the Group have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the accounts of the Company and the Group misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company and the Group misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Company or of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Company or of the Group which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company or of the Group to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the accounts of the Company or of the Group which would render any amount stated in the accounts misleading.

CHIN TECK PLANTATIONS BERHAD (3250V)
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DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company and of the Group during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events are disclosed in Note 19 to the accounts.

SUBSEQUENT EVENT

The subsequent event is disclosed in Note 20 to the accounts.

DIRECTORS

The directors who served since the date of the last report are:

Goh Eng Chew
Wong Aun Phui
Goh Pock Ai
Goh Beng Hwa
Chew Heng Chun
Goh Lei Eng
Goh Han Teng
Gho Lian Chin
Sio Sit Po
Goh Seh Kiat (alternate to Goh Lei Eng)
Goh Wei Lei (alternate to Goh Eng Chew)
Gho Bun Tjin (alternate to Gho Lian Chin)
Goh Yeok Beng (appointed on 23 December, 1998)
Gan Kim Leng (appointed on 29 October, 1999)
Gan Kim Toon (resigned on 29 October, 1999)

In accordance with the Company's Articles of Association, Goh Eng Chew, Goh Pock Ai and Gan Kim Leng retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Chew Heng Chun who retires at the forthcoming Annual General Meeting has indicated to the Board that he does not wish to seek re-election.

Wong Aun Phui retires pursuant to Section 129 of the Companies Act, 1965 and a resolution is being proposed for his re-appointment as a director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

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DIRECTORS' REPORT

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiary is a party with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the accounts) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business between the Company and certain companies in which certain directors have interests as disclosed in Note 22 to the accounts.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the stock units of the Company during the financial year were as follows:

	<u>Number of stock units of RM1 each</u>			
	At 1 September, 1998/date of <u>appointment</u>	<u>Bought</u>	<u>Sold</u>	At 31 August, 1999
Direct interest:				
Wong Aun Phui	326,500	27,000	-	353,500
Goh Beng Hwa	1,768,437	-	-	1,768,437
Chew Heng Chun	43,000	-	-	43,000
Goh Han Teng	109,500	-	-	109,500
Sio Sit Po	276,000	-	-	276,000
Gan Kim Toon	606,750	-	-	606,750
Goh Yeok Beng	8,000	-	-	8,000
Indirect interest:				
Goh Eng Chew	23,212,312	-	-	23,212,312
Goh Beng Hwa	303,750	-	-	303,750
Goh Han Teng	550,000	-	-	550,000
Gho Lian Chin	22,375,312	-	-	22,375,312
Sio Sit Po	862,500	-	-	862,500
Goh Seh Kiat	22,337,812	-	-	22,337,812
Gan Kim Toon	2,130,000	-	-	2,130,000

Goh Eng Chew, Gho Lian Chin and Goh Seh Kiat by virtue of their interests in the Company are also deemed interested in the shares of the related corporation of the Company to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in the stock units of the Company or the shares of its related corporation during the financial year.

CHIN TECK PLANTATIONS BERHAD (3250V)
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DIRECTORS' REPORT

AUDITORS

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

Signed on behalf of the Board
in accordance with a resolution
of the directors

GOH ENG CHEW

WONG AUN PHUI

Kuala Lumpur
Dated: 29 October, 1999

CHIN TECK PLANTATIONS BERHAD (3250V)
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STATEMENT BY DIRECTORS

We, GOH ENG CHEW and WONG AUN PHUI, being two of the directors of CHIN TECK PLANTATIONS BERHAD, do hereby state that, in the opinion of the directors, the accompanying balance sheets of the Company and of the Group as at 31 August, 1999 and the related profit and loss accounts of the Company and of the Group and cash flow statement of the Group for the year then ended, together with the notes thereto, give a true and fair view of the state of affairs of the Company and of the Group as at 31 August, 1999 and of the results of the Company and of the Group and cash flows of the Group for the year then ended, and have been properly drawn up in accordance with applicable approved accounting standards.

Signed on behalf of the Board
in accordance with a resolution
of the directors

GOH ENG CHEW

WONG AUN PHUI

Kuala Lumpur
Dated: 29 October, 1999

STATUTORY DECLARATION

I, GAN KOK TIONG, the officer primarily responsible for the financial management of CHIN TECK PLANTATIONS BERHAD, do solemnly and sincerely declare that the accompanying balance sheets of the Company and of the Group as at 31 August, 1999 and the related profit and loss accounts of the Company and of the Group and cash flow statement of the Group for the year then ended, together with the notes thereto are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)	
the abovenamed GAN KOK TIONG at)	
Kuala Lumpur in Wilayah Persekutuan)	
on 29 October, 1999)	GAN KOK TIONG

Before me:

OOI AH BAH
No. W152
Commissioner for Oaths
Kuala Lumpur

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

AUDITORS' REPORT

To the Shareholders of
CHIN TECK PLANTATIONS BERHAD

We have audited the accounts of CHIN TECK PLANTATIONS BERHAD (the Company) and the consolidated accounts of CHIN TECK PLANTATIONS BERHAD AND ITS SUBSIDIARY (the Group) as at 31 August, 1999. These accounts are the responsibility of the Company's directors. Our responsibility is to express an opinion on these accounts based on our audit.

We have conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31 August, 1999 and of the results of the Company and of the Group and cash flows of the Group for the year then ended, and have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the Act.

We are satisfied that the accounts of the subsidiary that have been consolidated with the Company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for these purposes.

Our audit report on the accounts of the subsidiary was not subject to any qualification or any adverse comment made under subsection (3) of Section 174 of the Act.

Arthur Andersen & Co.
No. AF 0103
Public Accountants

Pushpanathan a/l S. A. Kanagarayar
No. 1056/3/01(J/PH)
Partner of the Firm

Dated: 29 October, 1999

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

BALANCE SHEETS - 31 AUGUST, 1999

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
CURRENT ASSETS					
Cash and bank balances		3,139,265	3,528,633	3,124,747	3,513,796
Deposits with financial institutions	3	117,037,443	81,480,757	116,947,443	81,390,757
Trade debtors	4	4,592,678	4,633,269	4,592,678	4,633,269
Other debtors		3,648,245	4,148,764	3,647,968	4,148,002
Stocks	5	3,624,395	2,646,057	3,624,395	2,646,057
Due from subsidiary	6	-	-	31,208,329	30,008,329
		<u>132,042,026</u>	<u>96,437,480</u>	<u>163,145,560</u>	<u>126,340,210</u>
CURRENT LIABILITIES					
Trade creditors	7	2,375,048	3,278,301	2,375,048	3,278,301
Other creditors		5,899,516	4,174,050	5,898,516	4,173,050
Taxation		4,520,035	18,655,249	4,519,266	18,653,980
Dividend payable		8,820,900	15,236,100	8,820,900	15,236,100
		<u>21,615,499</u>	<u>41,343,700</u>	<u>21,613,730</u>	<u>41,341,431</u>
NET CURRENT ASSETS		110,426,527	55,093,780	141,531,830	84,998,779
INVESTMENTS	8	98,538,028	102,745,647	65,588,761	70,712,903
FIXED ASSETS	9	130,599,030	131,907,335	130,599,030	131,907,335
DEFERRED TAXATION	10	(2,563,000)	(2,563,000)	(2,563,000)	(2,563,000)
RETIREMENT BENEFITS		(144,815)	(144,815)	(144,815)	(144,815)
		<u>336,855,770</u>	<u>287,038,947</u>	<u>335,011,806</u>	<u>284,911,202</u>
SHAREHOLDERS' FUNDS					
Share capital	11	55,687,500	55,687,500	55,687,500	55,687,500
Reserves	12	281,168,270	231,351,447	279,324,306	229,223,702
		<u>336,855,770</u>	<u>287,038,947</u>	<u>335,011,806</u>	<u>284,911,202</u>

The accompanying notes are an integral part of these balance sheets.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1999

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Turnover	13	<u>108,293,014</u>	<u>92,634,343</u>	<u>108,293,014</u>	<u>92,634,343</u>
Operating profit	14	64,795,384	51,811,871	64,794,537	51,807,337
Share of results of associated companies		<u>106,777</u>	<u>1,344,290</u>	<u>-</u>	<u>-</u>
Profit before taxation		64,902,161	53,156,161	64,794,537	51,807,337
Taxation	15	<u>1,261,491</u>	<u>(14,449,813)</u>	<u>1,344,067</u>	<u>(14,166,006)</u>
Profit for the year attributable to shareholders of the Company		66,163,652	38,706,348	66,138,604	37,641,331
Transfer to capital reserve	12	<u>(3,536,724)</u>	<u>-</u>	<u>(3,536,724)</u>	<u>-</u>
		62,626,928	38,706,348	62,601,880	37,641,331
Retained profits brought forward		<u>174,503,969</u>	<u>155,845,121</u>	<u>172,945,651</u>	<u>155,351,820</u>
Profits available for appropriation		<u>237,130,897</u>	<u>194,551,469</u>	<u>235,547,531</u>	<u>192,993,151</u>
Dividends					
First interim dividend of 18% less 28% taxation (1998 : 12% less 28% taxation)		(7,217,100)	(4,811,400)	(7,217,100)	(4,811,400)
Second interim dividend of 22% less 28% taxation (1998 : 18% less 28% taxation)		(8,820,900)	(7,217,100)	(8,820,900)	(7,217,100)
Special interim dividend of 20% less 28% taxation		-	(8,019,000)	-	(8,019,000)
		<u>(16,038,000)</u>	<u>(20,047,500)</u>	<u>(16,038,000)</u>	<u>(20,047,500)</u>
Retained profits carried forward	12	<u>221,092,897</u>	<u>174,503,969</u>	<u>219,509,531</u>	<u>172,945,651</u>
Earnings per stock unit	16	<u>118.8 sen</u>	<u>69.5 sen</u>		

The accompanying notes are an integral part of these accounts.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST, 1999

	<u>1999</u> RM	<u>1998</u> RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	64,902,161	53,156,161
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation	3,148,447	2,999,251
Fixed assets written off	5,490	47,840
Interest income	(5,192,140)	(6,694,019)
Dividend income	(233,351)	(207,848)
Gain on disposal of fixed assets	(245)	(160)
Gain on disposal of other investments	(3,536,724)	-
Unexercised quoted warrants written off	-	708,553
Share of results of associated companies	(106,777)	(1,344,290)
Operating profit before working capital changes	<u>58,986,861</u>	<u>48,665,488</u>
Decrease/(increase) in trade and other debtors	431,023	(3,532,099)
Increase in stocks	(978,338)	(361,959)
Increase in trade and other creditors	<u>822,213</u>	<u>2,614,912</u>
Cash flow generated from operating activities	<u>59,261,759</u>	<u>47,386,342</u>
Income tax paid	<u>(12,731,620)</u>	<u>(7,502,125)</u>
Net cash flow generated from operating activities	<u>46,530,139</u>	<u>39,884,217</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,849,486)	(1,983,997)
Investment in associated companies	(1,953,191)	(24,284,773)
Proceeds from disposal of fixed assets	4,099	5,000
Proceeds from disposal of other investments	9,414,057	-
Interest income	5,302,227	6,908,995
Dividend income	<u>172,673</u>	<u>153,807</u>
Net cash generated from/(used in) investing activities	<u>11,090,379</u>	<u>(19,200,968)</u>
CASH FLOW FROM FINANCING ACTIVITY		
Dividend paid	<u>(22,453,200)</u>	<u>(13,387,275)</u>
Net increase in cash and cash equivalents	35,167,318	7,295,974
Cash and cash equivalents at 1 September, 1998/1997	<u>85,009,390</u>	<u>77,713,416</u>
Cash and cash equivalents at 31 August	<u>120,176,708</u>	<u>85,009,390</u>
Cash and cash equivalents comprise:		
Cash and bank balances	3,139,265	3,528,633
Deposits with financial institutions	<u>117,037,443</u>	<u>81,480,757</u>
	<u>120,176,708</u>	<u>85,009,390</u>

The accompanying notes are an integral part of this statement.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 AUGUST,1999

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are to cultivate, process and sell crude palm oil and palm kernel.

The principal activity of the subsidiary is described in Note 8 to the accounts.

There have been no significant changes in these activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts are prepared under the historical cost convention modified by the revaluation of freehold and certain leasehold estates and comply with applicable approved accounting standards.

(b) Basis of Consolidation

The consolidated accounts include the accounts of the Company and its subsidiary made up to the end of the financial year. Inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

(c) Associated Company

The Group treats associated companies as those companies in which a long term equity interest of between 20 and 50 percent is held and where it exercises significant influence through management participation.

The Group's share of the results of associated companies are included in the consolidated profit and loss account based on the latest available audited accounts and management accounts. The Group's interest in associated companies is stated at cost plus adjustments to reflect changes in the Group's share of the net assets of the associated companies.

(d) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation except for freehold and certain leasehold estates which are stated at valuation. Freehold and long term leasehold estates represent freehold and long term leasehold land and new planting expenditure.

Depreciation is not provided on freehold estates. Long term leasehold land are depreciated over the period of the leases of 86 years and 99 years.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 AUGUST, 1999

Depreciation of other fixed assets is provided on a straight line basis calculated to write off the cost of each asset over its estimated useful life. The principal annual rates of depreciation are as follows:

Buildings	2% - 10%
Plant and machinery	10%
Motor vehicles	20%
Estate equipment and furniture	5% - 10%

(e) New Planting Expenditure

New planting expenditure incurred on land clearing and upkeep of trees to maturity are capitalised under estate costs and are not depreciated.

(f) Replanting Expenditure

Replanting expenditure incurred in the year is charged to the profit and loss account. Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

(g) Stocks

Stocks of oil palm produce and estate stores are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Cost of stocks of oil palm produce includes where appropriate the cost of direct materials, direct labour and appropriate production overheads.

(h) Currency Conversion and Translation

Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling at that date. All exchange gains or losses are dealt with in the profit and loss account.

The Group's share of net assets of a foreign associated company are translated into Ringgit Malaysia at the rates of exchange approximating those ruling at the balance sheet date. All exchange differences due to such currency translation are recognised via an exchange fluctuation reserve.

(i) Retirement Benefits

Provision for workers' retirement is made for permanent employees of the Company at rates determined by the directors.

The Company does not have a fixed staff retirement benefit policy and all staff retirement benefits are at the discretion of the Company.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 AUGUST, 1999

(j) Investments

Quoted and unquoted investments held on a long term basis are stated at cost less provision for any permanent diminution in value.

Gains arising from sale of investments are transferred to capital reserve.

(k) Deferred Taxation

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	RM	RM	RM	RM
Deposits with licensed finance companies	6,000,000	3,000,000	6,000,000	3,000,000
Deposits with licensed banks	<u>111,037,443</u>	<u>78,480,757</u>	<u>110,947,443</u>	<u>78,390,757</u>
	<u>117,037,443</u>	<u>81,480,757</u>	<u>116,947,443</u>	<u>81,390,757</u>

Deposits with licensed banks amounting to RM737,443 (1998 : RM690,757) have been pledged to the banks for guarantee facilities provided to the Company.

4. TRADE DEBTORS

	<u>Group and Company</u>	
	<u>1999</u>	<u>1998</u>
	RM	RM
Trade debtors	4,829,647	4,870,238
Less : Provision for doubtful debts	<u>(236,969)</u>	<u>(236,969)</u>
	<u>4,592,678</u>	<u>4,633,269</u>

5. STOCKS

	<u>Group and Company</u>	
	<u>1999</u>	<u>1998</u>
	RM	RM
Oil palm produce	2,658,060	1,111,895
Estate stores	<u>966,335</u>	<u>1,534,162</u>
	<u>3,624,395</u>	<u>2,646,057</u>

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 AUGUST, 1999

6. DUE FROM SUBSIDIARY

The amount due from subsidiary is unsecured, interest free and has no fixed term of repayments.

7. TRADE CREDITORS

Included in trade creditors is an amount of RM270,267 (1998 : RM775,575) due to a corporation in which certain directors have interests.

8. INVESTMENTS

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Investment in subsidiary:				
Unquoted shares, at cost	-	-	100,000	100,000
Investment in associated companies:				
Unquoted shares, at cost	77,033,842	75,080,651	45,833,842	45,080,651
Share of post- acquisition reserves	1,594,555	1,569,203	-	-
Foreign exchange difference	254,712	563,541	-	-
	<u>78,883,109</u>	<u>77,213,395</u>	<u>45,833,842</u>	<u>45,080,651</u>
Other investments:				
Quoted shares and warrants, at cost				
In Malaysia	125	125	125	125
Outside Malaysia	<u>17,457,344</u>	<u>23,334,677</u>	<u>17,457,344</u>	<u>23,334,677</u>
	<u>17,457,469</u>	<u>23,334,802</u>	<u>17,457,469</u>	<u>23,334,802</u>
Unquoted shares, at cost	<u>2,197,450</u>	<u>2,197,450</u>	<u>2,197,450</u>	<u>2,197,450</u>
Total investments	<u>98,538,028</u>	<u>102,745,647</u>	<u>65,588,761</u>	<u>70,712,903</u>
Market value of quoted shares and warrants	<u>24,544,691</u>	<u>11,429,091</u>	<u>24,544,691</u>	<u>11,429,091</u>

The directors are of the opinion that the shortfall between the cost of quoted investment and market value in the previous year was temporary in nature and it is their intention to hold the investments for long term purposes.

CHIN TECK PLANTATIONS BERHAD (3250V)
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NOTES TO THE ACCOUNTS - 31 AUGUST, 1999

The subsidiary company, incorporated in Malaysia is:

<u>Name of Company</u>	<u>Effective Interests</u>		<u>Paid-up Capital</u>		<u>Financial Year End</u>	<u>Principal Activity</u>
	<u>1999</u> %	<u>1998</u> %	<u>1999</u> RM	<u>1998</u> RM		
Double Alliance Sdn. Bhd.	100	100	100,000	100,000	31 August	Investment holding.

The associated companies are:

<u>Name of Company</u>	<u>Effective Interests</u>		<u>Country of Incorporation</u>	<u>Financial Year End</u>	<u>Principal Activity</u>
	<u>1999</u> %	<u>1998</u> %			
Sin Thye Management Sdn. Bhd.	50	50	Malaysia	31 December	Provision of management and advisory services and acting as an insurance agent.
West Synergy Sdn. Bhd.	40	40	Malaysia	31 December	Property development and investment.
Global Formation (M) Sdn. Bhd.	50	50	Malaysia	31 December	Investment holding.
Gaeronic Pte. Ltd.	24.88	24.88	Republic of Singapore	31 December	The company is an investment holding company and its subsidiaries are engaged in food manufacturing.

CHIN TECK PLANTATIONS BERHAD (3250V)
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NOTES TO THE ACCOUNTS - 31 AUGUST, 1999

9. **FIXED ASSETS**

	VALUATION	<----- COST ----->			
<u>Group and Company</u>	Freehold and long term leasehold estates RM	Long term leasehold estates and buildings RM	Motor vehicles, estate equipment and furniture RM	Plant and machinery RM	<u>Total</u> RM
<u>1999</u>					
<u>Valuation/Cost</u>					
At 1 September, 1998	82,591,309	48,662,067	9,065,046	23,951,288	164,269,710
Additions	-	1,161,619	345,365	342,502	1,849,486
Disposal	-	-	(4,130)	-	(4,130)
Write offs	-	-	(39,079)	(152,119)	(191,198)
At 31 August	<u>82,591,309</u>	<u>49,823,686</u>	<u>9,367,202</u>	<u>24,141,671</u>	<u>165,923,868</u>
<u>Accumulated depreciation</u>					
At 1 September, 1998	1,628,900	9,283,699	6,135,534	15,314,242	32,362,375
Additions	232,700	983,804	667,429	1,264,514	3,148,447
Disposal	-	-	(276)	-	(276)
Write offs	-	-	(34,636)	(151,072)	(185,708)
At 31 August	<u>1,861,600</u>	<u>10,267,503</u>	<u>6,768,051</u>	<u>16,427,684</u>	<u>35,324,838</u>
Net Book Value	<u>80,729,709</u>	<u>39,556,183</u>	<u>2,599,151</u>	<u>7,713,987</u>	<u>130,599,030</u>

The details of freehold and long term leasehold estates at valuation are as follows:

<u>Group and Company</u>	Freehold estates RM	Long term leasehold estates RM	<u>Total</u> RM
<u>1999</u>			
<u>Valuation</u>			
At 1 September, 1998/31 August	<u>38,558,155</u>	<u>44,033,154</u>	<u>82,591,309</u>
<u>Accumulated depreciation</u>			
At 1 September, 1998	-	1,628,900	1,628,900
Additions	-	232,700	232,700
At 31 August	<u>-</u>	<u>1,861,600</u>	<u>1,861,600</u>
Net Book Value	<u>38,558,155</u>	<u>42,171,554</u>	<u>80,729,709</u>

CHIN TECK PLANTATIONS BERHAD (3250V)
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NOTES TO THE ACCOUNTS - 31 AUGUST, 1999

The details of long term leasehold estates and buildings at cost are as follows:

<u>Cost</u>	Long term leasehold <u>estates</u> RM	<u>Buildings</u> RM	<u>Total</u> RM
At 1 September, 1998	31,327,736	17,334,331	48,662,067
Additions	-	1,161,619	1,161,619
At 31 August	31,327,736	18,495,950	49,823,686
<u>Accumulated depreciation</u>			
At 1 September, 1998	590,464	8,693,235	9,283,699
Additions	84,352	899,452	983,804
At 31 August	674,816	9,592,687	10,267,503
Net Book Value	30,652,920	8,903,263	39,556,183

	VALUATION		<----- COST ----->		
<u>Group and Company</u>	Freehold and long term leasehold <u>estates</u> RM	Long term leasehold estates and <u>buildings</u> RM	Motor vehicles, estate equipment and <u>furniture</u> RM	Plant and <u>machinery</u> RM	<u>Total</u> RM
<u>1998</u>					

Valuation/Cost

At 1 September, 1997	82,591,309	48,168,756	8,505,463	23,205,435	162,470,963
Additions	-	499,902	635,182	848,913	1,983,997
Disposal	-	-	(8,599)	-	(8,599)
Write offs	-	(6,591)	(67,000)	(103,060)	(176,651)
At 31 August	82,591,309	48,662,067	9,065,046	23,951,288	164,269,710

Accumulated depreciation

At 1 September, 1997	1,396,200	8,341,382	5,606,967	14,151,145	29,495,694
Additions	232,700	945,365	595,428	1,225,758	2,999,251
Disposal	-	-	(3,759)	-	(3,759)
Write offs	-	(3,048)	(63,102)	(62,661)	(128,811)
At 31 August	1,628,900	9,283,699	6,135,534	15,314,242	32,362,375
Net Book Value	80,962,409	39,378,368	2,929,512	8,637,046	131,907,335

CHIN TECK PLANTATIONS BERHAD (3250V)
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NOTES TO THE ACCOUNTS - 31 AUGUST, 1999

The details of freehold and long term leasehold estates at valuation are as follows:

<u>Group and Company</u>	<u>Freehold estates</u> RM	<u>Long term leasehold estates</u> RM	<u>Total</u> RM
<u>1998</u>			
<u>Valuation</u>			
At 1 September, 1997/31 August	38,558,155	44,033,154	82,591,309
<u>Accumulated depreciation</u>			
At 1 September, 1997	-	1,396,200	1,396,200
Additions	-	232,700	232,700
At 31 August	-	1,628,900	1,628,900
Net Book Value	38,558,155	42,404,254	80,962,409

The details of long term leasehold estates and buildings at cost are as follows:

	<u>Long term leasehold estates</u> RM	<u>Buildings</u> RM	<u>Total</u> RM
<u>Cost</u>			
At 1 September, 1997	31,327,736	16,841,020	48,168,756
Additions	-	499,902	499,902
Write offs	-	(6,591)	(6,591)
At 31 August	31,327,736	17,334,331	48,662,067
<u>Accumulated depreciation</u>			
At 1 September, 1997	506,112	7,835,270	8,341,382
Additions	84,352	861,013	945,365
Write offs	-	(3,048)	(3,048)
At 31 August	590,464	8,693,235	9,283,699
Net Book Value	30,737,272	8,641,096	39,378,368

- (a) The freehold and long term leasehold estates were valued by a firm of professional valuers in 1983 based on their open market values on an existing use basis.

CHIN TECK PLANTATIONS BERHAD (3250V)
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NOTES TO THE ACCOUNTS - 31 AUGUST, 1999

- (b) Included in the cost of fixed assets are the following fixed assets which have been fully depreciated but are still in use:

	<u>Group and Company</u>	
	<u>1999</u>	<u>1998</u>
	RM	RM
Buildings	4,936,424	4,845,781
Plant and machinery	11,679,416	11,132,836
Motor vehicles	3,287,823	3,343,721
Estate equipment and furniture	927,592	3,390,512
	<u>20,831,255</u>	<u>22,712,850</u>

10. DEFERRED TAXATION

	<u>Group and Company</u>	
	<u>1999</u>	<u>1998</u>
	RM	RM
(a) As at 1 September, 1998/1997	2,563,000	2,319,000
Transferred from profit and loss account	-	244,000
As at 31 August	<u>2,563,000</u>	<u>2,563,000</u>
(b) Deferred taxation is provided in respect of:		
Timing differences between depreciation and corresponding capital allowances	9,000,000	9,000,000
Other timing differences	152,000	152,000
	<u>9,152,000</u>	<u>9,152,000</u>

Deferred taxation is not provided on the surplus arising from the revaluation of freehold and certain long term leasehold estates as it is not the intention of the directors to dispose these properties.

11. SHARE CAPITAL

	<u>1999</u>	<u>1998</u>
	RM	RM
Authorised:		
Shares of RM1 each	<u>150,000,000</u>	<u>150,000,000</u>
Issued and fully paid:		
Stock units of RM1 each	<u>55,687,500</u>	<u>55,687,500</u>

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12. RESERVES

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Non-distributable:				
- Share premium	<u>4,294,323</u>	<u>4,294,323</u>	<u>4,294,323</u>	<u>4,294,323</u>
- Capital reserve				
- Revaluation surplus	<u>47,234,074</u>	<u>47,234,074</u>	<u>47,234,074</u>	<u>47,234,074</u>
- Associated company				
As at 1 September, 1998/1997	5,886	-	-	-
Addition	-	5,886	-	-
As at 31 August	<u>5,886</u>	<u>5,886</u>	<u>-</u>	<u>-</u>
- Exchange fluctuation reserve				
As at 1 September, 1998/1997	563,541	-	-	-
Foreign exchange difference	<u>(308,829)</u>	<u>563,541</u>	<u>-</u>	<u>-</u>
As at 31 August	<u>254,712</u>	<u>563,541</u>	<u>-</u>	<u>-</u>
	<u>51,788,995</u>	<u>52,097,824</u>	<u>51,528,397</u>	<u>51,528,397</u>
Distributable:				
- Capital reserve				
relating to gain on sale of investments				
As at 1 September, 1998/1997	399,654	399,654	399,654	399,654
Transferred from profit and loss accounts	<u>3,536,724</u>	<u>-</u>	<u>3,536,724</u>	<u>-</u>
As at 31 August	<u>3,936,378</u>	<u>399,654</u>	<u>3,936,378</u>	<u>399,654</u>
- General reserve	<u>4,350,000</u>	<u>4,350,000</u>	<u>4,350,000</u>	<u>4,350,000</u>
- Retained profits	<u>221,092,897</u>	<u>174,503,969</u>	<u>219,509,531</u>	<u>172,945,651</u>
	<u>229,379,275</u>	<u>179,253,623</u>	<u>227,795,909</u>	<u>177,695,305</u>
	<u>281,168,270</u>	<u>231,351,447</u>	<u>279,324,306</u>	<u>229,223,702</u>

The Company has tax exempt profits available for distribution of approximately RM66,344,000 (1998 : RM8,451,000) subject to agreement with the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends amounting to RM93,649,000 (1998 : RM110,750,000) out of its distributable reserves as at 31 August, 1999 without incurring additional tax liability. If the

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balance of the distributable reserves were to be distributed as dividends, the Company would have a Section 108 shortfall of approximately RM18,985,000 (1998 : RM16,131,000).

13. TURNOVER

Turnover represents the invoiced value of sales of crude palm oil and palm kernel.

The cost of sales incurred in relation to the turnover is RM52,464,443 (1998 : RM48,292,789). The cost of sales in relation to invoiced value of sales consist of cost of cultivation, raw materials, labour and overheads.

14. OPERATING PROFIT

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Operating profit is stated after charging/(crediting):				
Auditors' remuneration	28,000	28,000	27,000	27,000
Directors' remuneration:				
Fees	104,523	103,005	104,523	103,005
Other emoluments	868,740	725,881	868,740	725,881
Depreciation	3,148,447	2,999,251	3,148,447	2,999,251
Fixed assets written off	5,490	47,840	5,490	47,840
Bad debts written off	20,435	22,107	20,435	22,107
Replanting expenditure	1,118,812	2,434,525	1,118,812	2,434,525
Management fees paid to an associated company in which certain directors have interests	170,962	171,976	170,962	171,976
Unexercised quoted warrants written off	-	708,553	-	708,553
Gain on disposal of fixed assets	(245)	(160)	(245)	(160)
Gross dividends received from:				
Quoted investments in Malaysia	(5)	(5)	(5)	(5)
Quoted investments outside Malaysia	(233,346)	(207,843)	(233,346)	(207,843)
Interest income	(5,192,140)	(6,694,019)	(5,187,104)	(6,684,919)
Gain on disposal of other investments	(3,536,724)	-	(3,536,724)	-
Foreign exchange loss/(gain)	<u>70,273</u>	<u>(532,845)</u>	<u>70,273</u>	<u>(532,845)</u>

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15. TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Current year's provision:				
Malaysian	1	14,307,777	1	14,306,508
Foreign	60,677	54,039	60,677	54,039
	<u>60,678</u>	<u>14,361,816</u>	<u>60,678</u>	<u>14,360,547</u>
Transfer to deferred taxation	-	244,000	-	244,000
	<u>60,678</u>	<u>14,605,816</u>	<u>60,678</u>	<u>14,604,547</u>
Overprovision of taxation in respect of previous years	(1,403,594)	(437,545)	(1,404,745)	(438,541)
	<u>(1,342,916)</u>	<u>14,168,271</u>	<u>(1,344,067)</u>	<u>14,166,006</u>
Share of taxation of associated companies	81,425	281,542	-	-
	<u>(1,261,491)</u>	<u>14,449,813</u>	<u>(1,344,067)</u>	<u>14,166,006</u>

There is no tax charge for the current financial year as the amount payable is waived in accordance with the provisions of the Income Tax (Amendment) Act, 1999. The chargeable income of RM57,356,000 on which the tax is waived shall be credited to an exempt account from which tax exempt dividends can be declared, subject to agreement with the Inland Revenue Board.

16. EARNINGS PER STOCK UNIT

The earnings per stock unit has been calculated based on the Group's profit after taxation of RM66,163,652 (1998 : RM38,706,348) and 55,687,500 (1998 : 55,687,500) stock units of RM1 each in issue.

17. CAPITAL COMMITMENTS

	<u>Group and Company</u>	
	<u>1999</u> RM	<u>1998</u> RM
Contracted but not provided for in the accounts	1,119,000	135,000
Authorised but not contracted for	<u>1,140,000</u>	<u>-</u>

18. CONTINGENT LIABILITIES (Unsecured)

	<u>Group and Company</u>	
	<u>1999</u> RM	<u>1998</u> RM
Guarantee favouring a bank for banking facilities extended to a third party	<u>-</u>	<u>3,152,000</u>

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19. SIGNIFICANT EVENTS

- (i) During the financial year, the Company
- (a) pursuant to the rights issue of shares in Gaeronic Pte. Ltd., an associated company incorporated in the Republic of Singapore, subscribed for its entitlement totalling 328,382 ordinary shares of S\$1.00 each at par in Gaeronic Pte. Ltd. for a total cash consideration of RM753,191.
 - (b) through its wholly owned subsidiary, Double Alliance Sdn. Bhd., subscribed for 1,200,000 non-cumulative redeemable preference shares of RM0.01 each in West Synergy Sdn. Bhd., an associated company incorporated in Malaysia, for a total cash consideration of RM1,200,000.
- (ii) As reported in the previous year, the Company entered into a Conditional Agreement with a third party for the sale of shares in Soctek Sdn. Bhd., a company incorporated in Malaysia, wherein the Company is disposing 1,721,250 ordinary shares of RM1 each in Soctek Sdn. Bhd., at a consideration of approximately RM7,832,000. Although the approval from the relevant authorities has been obtained, the final determination of the consideration will be on the basis of the net assets value of Soctek Sdn. Bhd., at the completion date.

20. SUBSEQUENT EVENT

Subsequent to the financial year end, the Company through its wholly owned subsidiary, Double Alliance Sdn. Bhd., subscribed for 800,000 non-cumulative redeemable preference shares of RM0.01 each in West Synergy Sdn. Bhd., an associated company incorporated in Malaysia for a total cash consideration of RM800,000.

21. SEGMENTAL INFORMATION

No segmental information has been prepared as the Group's principal activity involves predominantly the cultivation, processing and sale of crude palm oil and palm kernel and is wholly carried out in Malaysia.

22. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

	<u>Group and Company</u>	
	<u>1999</u>	<u>1998</u>
	RM	RM
Sales of oil palm produce to a company in which certain directors have interests	<u>239,071</u>	<u>-</u>
Purchase of oil palm produce from companies in which certain directors have interests	<u>8,204,445</u>	<u>7,993,185</u>

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	<u>Group and Company</u>	
	<u>1999</u>	<u>1998</u>
	RM	RM
Purchase of fixed asset from a company in which certain directors have interest	-	50,000
Management fees paid to an associated company in which certain directors have interest	170,962	171,976
Agency fee paid to a company in which certain directors have interest	18,000	18,000

23. CURRENCY

All amounts are stated in Ringgit Malaysia, unless otherwise stated.

24. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

CHIN TECK PLANTATIONS BERHAD (3250V)
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SHAREHOLDING STATISTICS AS AT 30 NOVEMBER, 1999

TWENTY LARGEST SHAREHOLDERS

Name	No. of Stock Units	% of Issued Capital
1. Tiong Thye Company Berhad	22,337,812	40.11
2. Gan Puay Chee Sendirian Berhad	2,130,000	3.82
3. Shing Loong Sdn Berhad	1,960,937	3.52
4. Keck Seng (Malaysia) Berhad	1,856,250	3.33
5. Mayban Securities Nominees (Asing) Sdn Bhd	1,821,412	3.27
6. Affin-UOB Nominees (Asing) Sdn Bhd	1,814,375	3.26
7. Goh Beng Hwa @ Gho Bin Hoa	1,768,437	3.18
8. Citicorp Nominees (Asing) Sdn Bhd	1,473,400	2.65
9. Gan Seng Lian Sendirian Berhad	1,290,500	2.32
10. Phua Thian Kang Sdn Berhad	940,000	1.69
11. Gho Eng Liong	731,750	1.31
12. Chew Huaipin Sdn Bhd	650,000	1.17
13. Gan Kim Toon	606,750	1.09
14. Kam Loong Mining Sdn Berhad	534,000	0.96
15. Lim Kee Chiok Sendirian Berhad	489,813	0.88
16. Goh Hooi Khim	470,500	0.84
17. Gho Kim Phek @ Goh Kim Phaik	452,625	0.81
18. Malaysia Nominees (Tempatan) Sendirian Berhad	449,688	0.81
19. Satria Nominees (Asing) Sdn Bhd	372,375	0.67
20. Wong Aun Phui	353,500	0.63
	42,504,124	76.32

CHIN TECK PLANTATIONS BERHAD (3250V)
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SHAREHOLDING STATISTICS AS AT 30 NOVEMBER, 1999

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders as at 30 November, 1999

Name of Substantial Shareholders	No. of Stock Units	%	No. of Stock Units	%
	Direct		Indirect	
Tiong Thye Company Berhad	22,337,812	40.11	-	-
Goh Eng Chew	-	-	23,212,312	41.68
Gho Lian Chin	-	-	22,375,312	40.18
Goh Seh Kiat			22,337,812	40.11
Gan Puay Chee Sendirian Berhad	2,130,000	3.82	-	-
Gan Kim Toon	606,750	1.09	2,130,000	3.82
Gan Kim Guan	34,250	0.06	2,130,000	3.82
Shing Loong Sdn Berhad	1,966,937	3.53	-	-
Dr Wong Kang Shen	-	-	1,966,937	3.53
Wong Kang Yeow	-	-	1,966,937	3.53
Keck Seng (Malaysia) Berhad	1,856,250	3.33	-	-
Mayban Securities Nominees (Asing) Sdn Bhd	1,825,412	3.28	-	- #
Affin-UOB Nominees (Asing) Sdn Bhd	1,814,375	3.26	-	- #
Goh Beng Hwa @ Gho Bin Hoa	1,768,437	3.18	303,750	0.55
Citicorp Nominees (Asing) Sdn Bhd	1,473,400	2.65	-	- #
Gan Seng Lian Sendirian Berhad	1,290,500	2.32	-	-
Dr Gan Kim Leng	45,875	0.08	1,396,500	2.51
Gan Kim Yew	115,938	0.21	1,290,500	2.32
Gan Eng Heng	70,437	0.13	1,290,500	2.32

Held as bare trustee for various beneficial owners. None of the beneficial owners holds 2% or more in the stock units of the Company

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

SHAREHOLDING STATISTICS AS AT 30 NOVEMBER, 1999

SHARE CAPITAL

Authorised : RM150,000,000
 Issued and fully paid : RM55,687,500
 Class of stock units : Ordinary stock units of RM1 each
 Voting rights : One vote per stock unit

ANALYSIS BY SIZE OF STOCK UNITS

		No. of Shareholders	%	No. of Stock Units Held	%
	Less than 500	55	2.64	13,249	0.02
500	to 5,000	1,721	82.58	2,996,425	5.38
5,001	to 10,000	110	5.28	870,250	1.56
10,001	to 100,000	150	7.20	4,341,713	7.80
100,001	to 1,000,000	39	1.87	11,012,740	19.78
	Above 1,000,000	9	0.43	36,453,123	65.46
		2,084	100.00	55,687,500	100.00

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LIST OF ALL PROPERTIES AS AT 31 AUGUST, 1999

LOCATION	TENURE	SIZE HECTARES	DESCRIPTION	NET BOOK VALUE
				AS AT 31 AUGUST, 1999 RM'000
Jemima & Sungei Sendayan Estate Lot 490, 491, 495, 1079, 1750, 1973 and part of Lot 3060 Mukim of Jimah Lot 1006, 1125, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913 and 1914 Mukim of Port Dickson Daerah Port Dickson Negeri Sembilan	Freehold	1,695	Oil palm estate with mill (Approximate age of mill: 14 years)	22,509
Gua Musang Estate Lot 154 Mukim of Ketil Daerah Gua Musang Kelantan Darul Naim	Freehold	1,618	Oil palm estate with mill (Approximate age of mill: 28 years)	16,049
Keratong Estate PT 353 Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 18.04.2075)	4,044	Oil palm estate with two mills (approximate age of mills: 3 and 19 years respectively)	72,824
PT 5117 Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 17.07.2094)	527		
PT 2604 Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 01.10.2056 with an option to extend for 33 years)	3,520		

CHIN TECK PLANTATIONS BERHAD (3250V)
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FORM OF PROXY

I / We
of
being a member / members of CHIN TECK PLANTATIONS BERHAD hereby appoint
.....
of
or failing him / her
of
as my / our proxy to attend and vote on my / our behalf at the Forty First Annual General Meeting of the Company to be held at Ming 3 & 4, MingCourt Vista Hotel, Jalan Ampang, 50450 Kuala Lumpur on Friday, 21 January, 2000 at 12.00 noon. and at any adjournment thereof.

ORDINARY RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the audited accounts for the year ended 31 August, 1999 and reports of the directors and auditors thereon.		
2. To approve the directors' remuneration for the year ended 31 August, 1999.		
3. To re-elect directors retiring under the provisions of the Articles of Association of the Company: -		
(i) Mr Goh Eng Chew		
(ii) Mr Goh Pock Ai		
(iii) Dr Gan Kim Leng		
4. To re-appoint Mr Wong Aun Phui as director pursuant to Section 129 of the Companies Act, 1965		
5. To re-appoint Messrs Arthur Andersen & Co. as auditors and to authorise directors to fix their remuneration.		

(Please indicate with "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signature(s).....

Date:

No. of stock units held	
-------------------------	--

NOTES:

1. A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. If the member is a corporation, the Form of Proxy must be executed under its common seal or under the hand of a person duly authorised in writing.
3. The Form of Proxy must be deposited at the Registered Office, No. 107-1 Changkat Tambi Dollah, 55100 Kuala Lumpur not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.