

2004 Annual Report

CHIN TECK PLANTATIONS BERHAD

(Company No. 3250-V)

Incorporated In Malaysia

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FINANCIAL HIGHLIGHT AND FINANCIAL CALENDAR

FINANCIAL HIGHLIGHT - GROUP

	2004	2003
	RM'000	RM'000
Revenue	97,104	102,412
Operating profit	51,838	60,168
Share of results of associates	(1,602)	1,154
Profit before taxation	50,236	61,322
Taxation	(14,770)	(17,428)
Profit for the year attributable to shareholders	35,466	43,894
Dividends	23,305	23,055
Issued and paid-up share capital	90,087	89,164
Shareholders' funds	420,147	406,538
Earnings per stock unit		
- Basic	39.6 sen	49.8 sen
- Diluted	39.4 sen	49.5 sen
Dividends		
- First interim dividend	13% tax exempt	11% tax exempt
- Second interim dividend	18% less 28% taxation	15% tax exempt
Dividend cover (times)	1.5	1.9
Net tangible assets per stock unit	RM4.66	RM4.56

FINANCIAL CALENDAR

Financial year	1 September 2003 to 31 August 2004
Announcement of results	
First financial quarter ended 30 November 2003	30 January 2004
Second financial quarter ended 29 February 2004	26 April 2004
Third financial quarter ended 31 May 2004	30 July 2004
Fourth financial quarter ended 31 August 2004	29 October 2004
Dividends payment	
First interim	20 January 2004
Second interim	30 August 2004
Despatch of 2004 Annual Report	6 January 2005
Forty Sixth Annual General Meeting	28 January 2005

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty Sixth Annual General Meeting of the Company will be held at Corus 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 January 2005 at 2.30 pm for the following purposes: -

1. To receive and adopt the Directors' Report and the Financial Statements for the financial year ended 31 August 2004 and the Auditors' Report thereon. (Resolution 1)
2. To increase the directors' fees for the financial year ended 31 August 2004 to RM249,000 and to authorise the directors to divide such fees in the proportions and manner to be determined by them. (Resolution 2)
3. To consider the nomination by Lee Ah Leong of Ng Seet Kow as a director of the Company, pursuant to Article 95 of the Articles of Association of the Company. (Resolution 3)
4. To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company: -
 - (i) Gho Lian Chin (Resolution 4)
 - (ii) Goh Yeok Beng (Resolution 5)
 - (iii) Keong Choon Keat (Resolution 6)
5. To consider and if thought fit, pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965: -
 - (i) "That Mr Goh Eng Chew, 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." (Resolution 7)
 - (ii) "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." (Resolution 8)
 - (iii) "That Mr Goh Beng Hwa, 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." (Resolution 9)
6. To re-appoint auditors and authorise the directors to fix their remuneration. (Resolution 10)
7. As special business, to consider and if thought fit, pass the following ordinary resolutions: -

Proposed renewal of shareholders' mandate for the Company and its subsidiary to enter into recurrent related party transactions of a revenue or trading nature with related parties ("Proposal") (Resolutions 11 – 16)

The text of the above resolutions together with the details of the Proposal are set out in the Circular to Shareholders dated 6 January 2005.
8. 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
6 January 2005

NOTICE OF ANNUAL GENERAL MEETING

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.
4. For Item 7, further information on the Proposal are set out in the Circular to Shareholders dated 6 January 2005 which is despatched together with the Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Nomination by Lee Ah Leong of Ng Seet Kow as a director of the Company, pursuant to Article 95 of the Articles of Association of the Company. (Refer to Appendix I)
2. Directors who are standing for re-election and re-appointment at the Forty Sixth Annual General Meeting.
 - (a) Gho Lian Chin - Retiring pursuant to Article 94 of the Articles of Association (Refer to page 8 for further details and pages 65 to 67 for his shareholding in the Company and subsidiary)
 - (b) Goh Yeok Beng - Retiring pursuant to Article 94 of the Articles of Association (Refer to page 8 for further details and pages 65 to 67 for his shareholding in the Company and subsidiary)
 - (c) Keong Choon Keat - Retiring pursuant to Article 94 of the Articles of Association (Refer to page 7 for further details and pages 65 to 67 for his shareholding in the Company and subsidiary)
 - (d) Goh Eng Chew - Retiring pursuant to Section 129 of the Companies Act, 1965 (Refer to page 6 for further details and pages 65 to 67 for his shareholding in the Company and subsidiary)
 - (e) Wong Aun Phui - Retiring pursuant to Section 129 of the Companies Act, 1965 (Refer to page 6 for further details and pages 65 to 67 for his shareholding in the Company and subsidiary)
 - (f) Goh Beng Hwa - Retiring pursuant to Section 129 of the Companies Act, 1965 (Refer to page 6 for further details and pages 65 to 67 for his shareholding in the Company and subsidiary)
3. Details of attendance of Directors at Board Meetings held during the financial year ended 31 August 2004.

A total of four (4) Board Meetings were held during the financial year ended 31 August 2004.

Details of attendance of Directors at the Board Meetings are as follows:-

<u>Name</u>	<u>Number of Meetings Attended</u>
Goh Eng Chew	4
Wong Aun Phui	3
Goh Pock Ai	4
Goh Beng Hwa	4
Sio Sit Po	4
Dr Gan Kim Leng	4
Keong Choon Keat	4
Dr Goh Han Teng	3
Gho Lian Chin	4
Goh Yeok Beng	4
Goh Wei Lei	4

4. Forty Sixth Annual General Meeting

Venue : Corus 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur
Date : 28 January 2005 (Friday)
Time : 2.30 pm

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
(Non-Independent)

Goh Eng Chew

Executive Directors
(Non-Independent)

Wong Aun Phui
Goh Pock Ai

Non-Executive Directors
(Independent)

Goh Beng Hwa
Sio Sit Po
Dr Gan Kim Leng
Keong Choon Keat

Non-Executive Directors
(Non-Independent)

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
Goh Yeok Beng
Goh Wei Lei

Alternate Director

Gho Bun Tjin (alternate to Gho Lian Chin)

AUDIT COMMITTEE

Chairman
Members

Keong Choon Keat
Dr Gan Kim Leng
Sio Sit Po
Wong Aun Phui
Goh Pock Ai

**NOMINATION COMMITTEE &
REMUNERATION COMMITTEE**

Chairman
Members

Gho Lian Chin
Goh Beng Hwa
Dr Gan Kim Leng
Keong Choon Keat
Goh Yeok Beng

COMPANY SECRETARY

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

REGISTERED OFFICE

107-1, Changkat Tambi Dollah
55100 Kuala Lumpur
Telephone: 03-21488901
Fax: 03-21428195

AUDITORS

Ernst & Young
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

**SHARE REGISTRAR AND
MANAGING AGENT**

Sin Thye Management Sdn Bhd
107-1, Changkat Tambi Dollah
55100 Kuala Lumpur
Telephone: 03-21488901
Fax: 03-21428195

LEGAL FORM AND DOMICILE

Public Limited Liability Company
Incorporated and Domiciled in Malaysia

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

PROFILE OF DIRECTORS

Goh Eng Chew

Executive Chairman. 73-year-old Mr Goh, a Singaporean, has more than thirty years of plantation and financial experience. Appointed to the Board on 1 January 1971. He later served as Executive Director on 21 January 1984 and as Chairman from 17 December 1994. He was appointed as the Executive Chairman on 1 March 1996. He is also a member of the Employee Share Option Scheme Committee. He had been Chairman of a licensed commercial bank, a licensed finance company and a real estate company, all of which were formerly listed in Singapore. He is also the Executive Chairman of Negri Sembilan Oil Palms Berhad. Other public companies in which he heads the Board are Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Dr Goh Han Teng and Goh Pock Ai and the father of Goh Wei Lei.

Number of Board meetings attended during the financial year ended 31 August 2004: 4 out of 4

Wong Aun Phui

82 years of age, Malaysian. Executive Director. Has more than forty years of plantation and banking experience. Appointed to the Board on 29 January 1961 and as Executive Director on 23 April 1983. He is a member of the Audit Committee and Employee Share Option Scheme Committee. He was conferred Senior Cambridge Certificate by Cambridge University. He had served as Assistant Managing Director of Malayan Banking Berhad, Managing Director of Pan Malayan Finance Limited and Adviser of Bank Bumiputra Malaysia Berhad (now known as Bumiputra-Commerce Bank Berhad). Formerly, Chairman of Bandar Raya Development Berhad. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Pan Malaysia Corporation Berhad. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 August 2004: 3 out of 4

Goh Pock Ai

64 years of age, Singaporean. Executive Director. Appointed to the Board on 2 June 1979 and as Executive Director on 23 April 1983. He is a member of the Audit Committee. He has vast experience and extensive knowledge in the oil palm plantation industry and property development. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Goh Eng Chew and Dr Goh Han Teng.

Number of Board meetings attended during the financial year ended 31 August 2004: 4 out of 4

Goh Beng Hwa

73 years of age, Singaporean. Independent Non-Executive Director. Appointed to the Board on 16 November 1969. He is a member of the Nomination Committee and Remuneration Committee. He had worked for several years in a listed licensed commercial bank in Singapore and was formerly the Managing Director of a licensed finance company listed in Singapore. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad and Eng Thye Plantations Berhad. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 August 2004: 4 out of 4

PROFILE OF DIRECTORS

Sio Sit Po

56 years of age, Singaporean. Independent Non-Executive Director. He was first appointed as an alternate director on 16 June 1995 and ceased as alternate director on 10 January 1997. Subsequently, he was appointed as a director on 3 February 1997. He is a member of the Audit Committee. Holds a Bachelor of Science (Hons) from the Nanyang University, Singapore. Worked in a licensed commercial bank listed in Singapore since graduation till 1999. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad and Eng Thye Plantations Berhad. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 August 2004: 4 out of 4

Dr Gan Kim Leng

62 years of age, Malaysian. Independent Non-Executive Director. Appointed to the Board on 29 October 1999. A dental surgeon. He is a member of the Audit Committee, Employee Share Option Scheme Committee, Nomination Committee and Remuneration Committee. He holds a Bachelor of Dental Surgery from the University of Sydney, Australia. He does not hold any directorship in other public companies. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years. As disclosed on page 70 of the Annual Report, the Company purchases fertilisers, which is necessary for the day-to-day operations, from Yew Hoe Chan, a partnership of whom two of the partners are his brothers.

Number of Board meetings attended during the financial year ended 31 August 2004: 4 out of 4

Keong Choon Keat

60 years of age, Malaysian. Independent Non-Executive Director. Appointed to the Board on 26 April 2001. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. He is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales. Attached to Bristol Myers & Company Ltd, England as an Accountant in 1968 and left to join Malaysian Tobacco Company Bhd as an Accountant in 1969. From 1974 to 1999, he was attached to UMW Holdings Bhd where he held various management positions from General Manager to Director, Group Accounts before being promoted to the position of an Executive Director in 1988. Upon retirement in 1999, he joined a consultancy firm providing outplacement and career management consultancy services in Malaysia. Other public companies in which he is a director are JT International Berhad, Malaysian Airline System Berhad, Negri Sembilan Oil Palms Berhad, PacificMas Bhd, The Pacific Insurance Bhd, Crest Builder Holdings Berhad and Malaysia & Nippon Insurans Berhad. He does not have any family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten years.

Number of Board meeting attended during the financial year ended 31 August 2004: 4 out of 4

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.

64 years of age, Singaporean. Non-Independent Non-Executive Director. He was first appointed as an alternate director on 2 September 1974 and ceased as alternate director on 25 October 1994. Subsequently, he was appointed as a director on 22 December 1994. He was formerly the Managing Director of a real estate company listed in Singapore. He was also formerly a director of a licensed commercial bank and a licensed finance company both of which were listed in Singapore. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad (alternate director), Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Goh Eng Chew and Goh Pock Ai.

Number of Board meetings attended during the financial year ended 31 August 2004: 3 out of 4

PROFILE OF DIRECTORS

Gho Lian Chin

56 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 13 July 1995. Holds a Bachelor of Science from the University of Melbourne, Australia. He is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Employee Share Option Scheme Committee. He worked in a licensed commercial bank listed in Singapore as its representative in a foreign country. Subsequently, he was engaged to manage the property division of the bank. He was also formerly a director of a licensed finance company and a real estate company both of which were listed in Singapore. He has extensive experience and knowledge in the rubber industry. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Gho Bun Tjin.

Number of Board meetings attended during the financial year ended 31 August 2004: 4 out of 4

Goh Yeok Beng

55 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 23 December 1998. He is a member of the Nomination Committee and Remuneration Committee. He has vast experience and extensive knowledge in the oil palm plantation industry and rubber industry. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 August 2004: 4 out of 4

Goh Wei Lei

36 years of age, Singaporean. Non-Independent Non-Executive Director. He was first appointed as alternate director of Goh Eng Chew on 29 March 1994. He resigned as alternate director on 29 July 2003 and appointed as director on the same day. Holds a Bachelor of Science from the Oregon State University, USA. He has vast experience and extensive knowledge in oil palm plantation and property development. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantations Berhad (alternate director) and Tiong Thye Company Berhad (alternate director), the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the son of Goh Eng Chew.

Number of Board meetings attended during the financial year ended 31 August 2004: 4 out of 4

Gho Bun Tjin (alternate to Gho Lian Chin)

54 years of age, Singaporean. He was first appointed as an alternate director on 18 February 1994 and ceased as alternate director on 21 June 1995. Subsequently, he was appointed as alternate director of Gho Lian Chin on 8 September 1995. Holds a Bachelor of Science from the University of Waterloo, Canada. He worked for a short period in a licensed commercial bank listed in Singapore. He is now working in a commercial company overseeing the general management. Other public companies in which he is an alternate director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantations Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 70 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Gho Lian Chin.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Chin Teck Plantations Berhad, I take great pleasure in presenting the Annual Report and the Audited Financial Statements of the Group and of the Company for the financial year ended 31 August 2004.

Selling price of crude palm oil during the financial year under review was at a high level due to strong demand. The overall global supply of oils and fats remained tight and palm oil market was generally operating in a favourable environment with satisfactory prices and demand.

Financial Performance

During the financial year under review, revenue of the Group decreased by 5.18% to RM97,104,527. Operating expenses increased by 8.36% to RM49,977,099. Other operating income increased by 21.60% to RM4,711,211. Profit from operations decreased by 13.84% to RM51,838,639.

The decrease in revenue was due mainly to lower production of ffb, crude palm oil and palm kernel even though the average selling prices of crude palm oil and palm kernel were higher. Higher operating expenses was due mainly to purchase of oil palm produce. The increase in other operating income was due mainly to the unrealised gain in foreign exchange. There was also an overall loss of RM1,602,162 in the Group's share in results of associates due mainly to certain start up costs of a general and administrative nature of associates engaged in oil palm plantation.

Overall, the Group's profit after taxation for the financial year under review decreased by 19.20% to RM35,466,463 due to the reasons mentioned above.

Shareholders' funds increased by 3.35% to RM420,147,010.

Dividends

Total gross dividends of 31% in respect of the financial year ended 31 August 2004 were paid during the financial year. i.e. a first interim dividend of 13%, tax exempt, was paid on 20 January 2004 and a second interim dividend of 18% less 28% taxation was paid on 30 August 2004. In view of the payment of the interim dividends, the Board has not recommended any final dividend in respect of the financial year ended 31 August 2004.

Operations Review

Production of ffb decreased by 21.75% to 214,949 m/t. Purchases of ffb also decreased by 16.30% to 26,084 m/t. Correspondingly, production of crude palm oil decreased by 19.95% to 47,502 m/t and production of palm kernel decreased by 25.24% to 13,314 m/t.

Approximately 43.41% of the matured palms are more than 20 years of age. Replanting of the palms has been scheduled over a period of 7 years. During the financial year under review, 274 hectares of old and low yield palms were replanted. Replanting of approximately 570 hectares of old and low yield palms will take place during the financial year ending 31 August 2005.

Associates

Joint venture on oil palm plantations in Indonesia

- (i) Approximately 10,000 hectares of land in the estates at Lampung, Sumatera have been planted, of which approximately 30% are matured palms of less than 6 years old. In view of the favourable conditions prevailing in the palm oil market, the joint venture companies in Lampung would proceed to plant an additional 6,500 hectares of land, which when matured would bring the total planted area to 16,500 hectares and it is expected that planting would commence during first quarter of 2005.
- (ii) Approximately 6,400 hectares of land in the estate at Padang, Sumatera have been planted of which approximately 39% are matured palms of less than 6 years old. Further planting would be implemented in Padang to increase the planted area there. In order to accommodate the ffb from the enlarged area under cultivation, construction of additional infrastructure would be required.

CHAIRMAN'S STATEMENT

Associates (Contd.)

- (iii) During the financial year under review, the Company subscribed for 19,000,000 ordinary shares of RM1.00 each in Global Formation (M) Sdn Bhd for a total cash subscription sum of RM19,000,000 pursuant to a rights issue of shares by Global Formation (M) Sdn Bhd on a pro-rata basis to its shareholders.

Joint venture on property development

Since 1997, West Synergy Sdn Bhd has launched a total of 2,450 units of various types of properties in Bandar Springhill. Bandar Springhill is a 1,990 acres of integrated township development project along the Seremban-Port Dickson highway near Lukut, Negeri Sembilan. The project has received favourable response.

During the financial year under review, the Group subscribed for 4,000,000 non-cumulative redeemable preference shares ('NCRPS') of RM0.01 each representing 40% of the total NCRPS in West Synergy Sdn Bhd at RM1.00 per NCRPS for a total cash subscription sum of RM4,000,000 for further working capital and repayment of borrowings.

Joint venture on food manufacturing in People's Republic of China

Gaeronic Pte Ltd, a 24.88% owned associate and its subsidiaries in the food industry have not performed to expectation due to unfavourable operating conditions.

The Company subscribed for 746,400 cumulative redeemable preference shares ('CRPS') of S\$0.01 each representing 24.88% of the total CRPS in Gaeronic Pte Ltd at S\$1.00 per CRPS for a total cash subscription sum of RM1,621,927 for further working capital during the financial year under review.

Issue Of Shares

During the financial year under review, the Company increased its issued and paid-up share capital from RM89,164,250 to RM90,087,250 and subsequent to the financial year end, it was further increased to RM90,133,250 by way of the issuance of new ordinary shares of RM1.00 each, for cash, pursuant to the Employee Share Option Scheme.

Recurrent Related Party Transactions

On 29 October 2004, the Company announced that it proposes to seek the approval of shareholders for the proposed renewal of shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature at the forthcoming Annual General Meeting. A separate Circular to Shareholders, the purpose of which is to provide information on the proposed renewal of shareholders' mandate and to seek the approval for the ordinary resolutions pertaining to the proposed renewal of shareholders' mandate, is enclosed together with the Annual Report.

Outlook For Year 2005

The average selling price of crude palm oil is currently on a declining trend. However, the Company's profitability will be cushioned by an expected increase in ffb production. Despite the volatility of the selling price of crude palm oil, the Company's performance is expected to remain favourable for the financial year ending 31 August 2005.

Appreciation

On behalf of the Board of Directors, I would like to thank the management and staff for their contribution and commitment. I must also thank our suppliers and customers for their co-operation and support. To our shareholders, I would like to thank you for your continued support and confidence in the Company.

Goh Eng Chew
Executive Chairman

17 December 2004

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

The Board of Directors is committed to ensure that a high standard of corporate governance is practised throughout the Group in discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

The Board of Directors will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the Best Practices of the Malaysian Code on Corporate Governance ("the Code") wherever applicable in the best interests of the shareholders of the Company. The Board considers that it has generally applied the Principles of the Code and complied with the Best Practices of the Code to the extent described in this statement.

1. Directors

Board Responsibilities

The Board retains full and effective control of the Company and is responsible for the overall performance of the Company. It focuses mainly on strategies, performance and critical business issues and is responsible for the following: -

- Group's strategic plans
- Conduct of the Group's business
- Principal risks identification and their management
- Succession planning for senior management
- Shareholders communication policy
- Group's internal control system and management information system

Composition of the Board

The Board currently consists of eleven directors: -

- An Executive Chairman
- Two Executive Directors
- Four Independent Non-Executive Directors
- Four Non-Independent Non-Executive Directors

There is an alternate director on the Board.

The Executive Chairman and Executive Directors have many years of experience in managing the Group's core business, plantations. The Non-Executive Directors have broad business and commercial experience. The Independent Directors are actively involved in various Board Committees and they provide independent assessment and opinion. The biographical details of the Board members are set out on pages 6 to 8 of the Annual Report.

The Executive Chairman functions both as Chairman of the Board and Executive Director. The Board is mindful of the combined roles but is comfortable that there is no undue risk involved as all related party transactions are dealt with in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad. The Executive Directors will be informed and consulted before the Executive Chairman makes any significant decision. All major matters and issues are referred to the Board for considerations and approvals. The roles and contributions of Independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board.

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

1. Directors (Contd.)

The Executive Chairman, Goh Eng Chew, the Executive Director, Goh Pock Ai and the four Non-Independent Non-Executive Directors, Dr Goh Han Teng, Gho Lian Chin, Goh Yeok Beng and Goh Wei Lei are directors and alternate director and/or shareholders of Tiong Thye Company Berhad, the largest shareholder of the Company holding 37.17% of the issued and paid-up share capital of the Company as at 13 December 2004.

The Board considers that its complement of the Independent Non-Executive Directors and Non-Independent Non-Executive Directors provides an effective Board with a mix of general management, accounting and finance and business experience and fairly reflects the investment in the Company by shareholders. The Board complies with the Listing Requirements of Bursa Malaysia Securities Berhad that requires at least two or one third of the Board, whichever is higher, to be independent directors.

All concerns regarding the Company can be conveyed to any one of the Directors. As such, the Board has not appointed a senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed.

The Board has established Board committees, which operate within the defined terms of reference. These committees are: -

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Employee Share Option Scheme Committee

The Report on Audit Committee for the financial year ended 31 August 2004 is set out on pages 19 to 22 of the Annual Report.

Details of the Nomination Committee and Remuneration Committee are set out on pages 13 to 15 of the Annual Report.

The Employee Share Option Scheme Committee or the Option Committee was established to administer the Chin Teck Plantations Berhad Employee Share Option Scheme, which became effective on 31 January 2001. The directors who serve on the Option Committee are Goh Eng Chew, Wong Aun Phui, Dr Gan Kim Leng and Gho Lian Chin. The Company Secretary also serves on the Option Committee.

The Directors will normally meet quarterly and has a formal schedule of matters reserved to it. On other occasions, additional meetings are held as and when required to discuss matters of importance. The Executive Chairman and the Executive Directors will explain to the Board the rationale of the matters to be discussed and the implications on the Company. The Directors participate in the discussion and comments are considered before a decision is made.

Four Directors' meetings were held during the financial year ended 31 August 2004 and the attendances of the Directors are as follows: -

Name	Number of Meetings Attended
Goh Eng Chew	4
Wong Aun Phui	3
Goh Pock Ai	4
Goh Beng Hwa	4
Sio Sit Po	4
Dr Gan Kim Leng	4
Keong Choon Keat	4
Dr Goh Han Teng	3
Gho Lian Chin	4
Goh Yeok Beng	4
Goh Wei Lei	4

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

1. Directors (Contd.)

Supply of Information

Each Director receives monthly statement of accounts, which contain information on financial performance and plantation statistics.

Agenda of Board meeting and Board papers for each agenda item are sent to the directors prior to Board meeting. The Board papers include amongst others, quarterly financial results, performance of the estates, financial position of the Company, the market value of its quoted investments, the sales of crude palm oil and palm kernel, summary of budget and capital expenditure, proposals for major acquisitions and disposals and corporate issues.

Directors have access to information within the Group. Any comments and suggestions for improvements are directed to the Executive Chairman and/or Executive Directors. Directors may also obtain independent professional advice.

Directors also have direct access to the services of the Company Secretary.

Appointments to the Board

The Nomination Committee was established on 26 April 2001. The members of the Nomination Committee are as follows: -

Chairman	Gho Lian Chin	- Non-Independent Non-Executive Director
Members	Goh Beng Hwa	- Independent Non-Executive Director
	Dr Gan Kim Leng	- Independent Non-Executive Director
	Keong Choon Keat	- Independent Non-Executive Director
	Goh Yeok Beng	- Non-Independent Non-Executive Director

The duties and functions of the Nomination Committee shall be: -

- to propose new nominees for the Board and Board Committee
- to assess directors on an on-going basis
- to annually review the required mix of skills and experience and core competencies of non-executive directors

The Directors have direct access to the services of the Company Secretary who is responsible for ensuring that all appointments are properly made and all necessary information is obtained from directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act, 1965, Listing Requirements of Bursa Malaysia Securities Berhad and other regulatory requirements.

One meeting of Nomination Committee were held during the financial year ended 31 August 2004.

All members of the Nomination Committee attended the meeting.

Directors' Training

All Directors are required to attend the training programmes that are prescribed by Bursa Malaysia Securities Berhad from time to time.

All the present Directors have successfully attended the Mandatory Accreditation Programme ("MAP") and they are required to attend the Continuing Education Programme ("CEP").

An Executive Director and the Company Secretary will also meet newly appointed director(s) to brief him or her on the background information and structure of the Company.

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

1. Directors (Contd.)

Re-election of Directors

In accordance with the Articles of Association of the Company, all Directors who are appointed by the Board are subject to re-election by shareholders at the first Annual General Meeting after their appointment.

The Articles of Association of the Company provides that one-third of the Directors, or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office once at least three years but shall be eligible for re-election.

Directors who are of or over the age of seventy year shall retire pursuant to Section 129 of the Companies Act, 1965 and shall be re-appointed under the provision of Section 129(6) of the said Act annually.

2. Directors' Remuneration

It is the Company's policy that the level of Directors' remuneration is sufficient to attract and retain the Directors of the calibre needed to run the Group successfully. In the case of Executive Directors, the component parts of the remuneration are structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the Non-Executive Directors concerned.

The Remuneration Committee was established on 26 April 2001. The members of the Remuneration Committee are as follows: -

Chairman	Gho Lian Chin	- Non-Independent Non-Executive Director
Members	Goh Beng Hwa	- Independent Non-Executive Director
	Dr Gan Kim Leng	- Independent Non-Executive Director
	Keong Choon Keat	- Independent Non-Executive Director
	Goh Yeok Beng	- Non-Independent Non-Executive Director

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of the Executive Directors and Non-Executive Directors. However, the determination of remuneration packages of directors is a matter for the Board as a whole and individual directors are required to abstain from discussion of their own remuneration.

One meeting of Remuneration Committee were held during the financial year ended 31 August 2004.

All members of the Remuneration Committee attended the meeting.

The shareholders at the annual general meeting approve the annual fees payable to the Directors. The Company reimburse reasonable expenses incurred by the Directors in the course of their duties as Directors. The basic salary for each executive director takes into account the compensation practices of other comparable companies and the performance of each individual director. Salary will be reviewed annually (although not necessary increased). Appropriate adjustments will be made to reflect performance and increased responsibilities. Executive Directors are entitled to a commission, which is dependent on the financial performance of the Company based on an established formula.

To commensurate with the experience and level of responsibilities undertaken by the Directors, the Directors have recommended that their total fees for the financial year ended 31 August 2004 be increased to RM249,000 with authority to Directors to divide such fees in the proportions and manner to be determined by them.

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

2. Directors' Remuneration (Contd.)

The details of the total remuneration of the Executive Directors and Non-Executive Directors for the financial year ended 31 August 2004 are as follows:-

	No. of Directors	Fees RM	Salaries RM	Commission RM	Other RM	Total RM
Executive Directors						
	1	24,000	180,000	259,203	-	463,203
	1	20,500	120,000	181,443	3,000	324,943
	1	20,500	120,000	181,443	3,000	324,943
	3	65,000	420,000	622,089	6,000	1,113,089
Non-Executive Directors						
	1	28,000	-	-	6,000	34,000
	1	25,500	-	-	6,000	31,500
	1	28,000	-	-	2,000	30,000
	1	23,000	-	-	2,000	25,000
	1	23,000	-	-	2,000	25,000
	1	20,500	-	-	3,000	23,500
	1	18,000	-	-	-	18,000
	1	18,000	-	-	-	18,000
	8	184,000	-	-	21,000	205,000
		249,000	420,000	622,089	27,000	1,318,089

3. Shareholders

Dialogue between the Company and Investors

The annual and quarterly reports and the various mandatory announcements are the primary modes of communication to report on the Group's financial performance and operations and corporate developments.

The annual and quarterly reports are sent to shareholders.

Shareholders and the members of the public can also obtain information on the annual and quarterly reports and the announcements made by accessing the website of Bursa Malaysia Securities Berhad.

It is not the practice of the Company to organise briefings sessions or investors forums for analysts and fund managers.

Annual General Meeting

The annual general meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and the Annual Report are despatched to shareholders. Notice of the Annual General Meeting is also published in a leading English newspaper.

At the Annual General Meeting, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session prior to the resolutions to approve the audited annual financial statements and directors' report. Suggestions and comments by shareholders are noted by directors for consideration.

**STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH
THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE**

4. Accountability and Audit

Financial Reporting

In presenting the annual and quarterly financial statements to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee assists the Board in ensuring accuracy, adequacy and completeness of information for disclosure.

The Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965 is set out on page 32 of the Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited accounts pursuant to paragraph 15.27 (a) of the Listing Requirements of Bursa Malaysia Securities Berhad is set out on page 23 of the Annual Report.

Internal Control

The Directors acknowledge their responsibilities for the Group's system of internal control, which has been designed to meet the Group's particular needs. The system of internal control is designed to manage risks to which the business of the Group is exposed rather than eliminate the risk of failure to achieve business objectives.

The Directors continue to maintain a sound system of internal control to safeguard shareholders' investment and Group's assets.

Internal Audit

The internal audit function has been outsourced to Ernst & Young with the primary objective to carry out a review of the internal control system to determine if the accounting and internal control system procedures have been complied with as well as to identify recommendations to strengthen the accounting and internal control system so as to foster a strong management control environment.

Relationship with the Auditors

The Company has always maintained a formal and transparent relationship with its auditors.

The role of the Audit Committee in relation to the external auditors is set out in the Report on Audit Committee on pages 19 to 22 of the Annual Report.

STATEMENT ON INTERNAL CONTROL

The Board of Directors is pleased to present the statement on the state of internal control of the Group. The statement is made pursuant to Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad. For the purposes of this statement, the Group refers to the Company and its subsidiary, excluding the associates.

Responsibility

The Board has overall responsibility for maintaining an effective and sound system of internal control and for reviewing its adequacy.

The system of internal control has been designed to meet the Group's particular needs. There are inherent limitations to any system of internal control. The system of internal control is designed to manage risks to which the Group is exposed rather than eliminate the risk of failure in achieving business objectives.

In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement or loss. Furthermore, it should be recognised that the cost of control procedures should not outweigh or exceed the expected benefits.

Internal Control Processes

There is continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the financial year under review and up to the date of approval of the annual report and financial statements.

The process is regularly reviewed by the Board and is in accordance with the guidance as contained in the publication – Statement of Internal Control: Guidance for Directors of Public Listed Companies.

Key Element Of Internal Control

- **Organisational Structure**

The Group is headed by an Executive Chairman and assisted by two Executive Directors. The Executive Chairman and Executive Directors have many years of experience in managing the Group's core business i.e. plantations.

There is in place an operating structure with clear defined lines of accountability and delegated authority for the estates.

- **Procedures Manual**

There is an Estate Procedures Manual that provides guidelines to staff members in respect of estate and mill operations.

The Estate Procedures Manual covers mainly operational, administrative, financial and reporting procedures.

- **Audit Committee and Internal Audit**

The Audit Committee was established with a view to assist the Board in discharging its duties. The internal audit function has the primary objective to carry out a review of the internal control system to determine if the accounting and internal control procedures have been complied with as well as to identify recommendations to strengthen the accounting and internal control system so as to foster a strong management control environment.

STATEMENT ON INTERNAL CONTROL

Key Element Of Internal Control (Contd.)

- **Audit Committee and Internal Audit (Contd.)**

The internal auditors report directly to the Audit Committee. Internal audit reports were presented to the Audit Committee during the financial year. The internal audit reports summarise the audit approach, scope, significant audit findings, the overall opinion for the internal control review, management comments on the audit findings and recommendations. The internal audit report also covers the follow-up by the management on implementation of recommendations in their earlier reports.

- **Financial Report**

The Group has in place a reporting mechanism whereby Directors receive monthly statement of accounts, which contain information on financial performance and plantation statistics.

Quarterly financial results, performance of the estates, financial position of the Company, the market value of its quoted investments, the sales of crude palm oil and palm kernel, summary of budget and capital expenditure are presented to the Board at the Board meeting.

- **Estates Visits and Estates Managers Meetings**

An Executive Director and the General Manager regularly visit the Group's estates to monitor the state of affairs of the estates. During the visits, the estate managers report on the progress and performance of the respective estates and discuss and resolve estate operational and key management issues.

Other Directors also visit the Group's estates occasionally and their comments and suggestions for improvements are directed to the Executive Chairman and/or Executive Directors.

Estate Managers Meetings are held twice a year, alternating between an estate on a rotational basis and at head office to discuss and resolve estate operational and key management policies.

- **Review of Recurrent Related Party Transactions**

All recurrent related party transactions are dealt with in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad. The Board and the Audit Committee review the recurrent related party transactions at the respective meetings of the Audit Committee and the Board.

Risk Management

Management regularly review, identify, evaluate, monitor and manage the significant risks faced by the Group. In addition, internal audit using a risk-based approach annually review the operational procedures and processes to ensure the integrity of the management information system.

The Audit Committee chaired by an Independent Non-Executive Director and its members comprising a majority of Independent Non-Executive Directors, provide an independent review of the Group's process for producing financial data, the adequacy, effectiveness and integrity of the system of internal control, compliance with laws, regulations and guidelines, independence of external auditors and internal audit function. It reviews annually with both the external and internal auditors, their evaluation of the system of internal control.

Conclusion

The Board is of the opinion that the existing system of internal control is adequate to achieve the Group's business objectives. The Board will continuously assess the adequacy of the Group's system of internal control and make improvements and enhancements to the system as and when necessary.

REPORT ON AUDIT COMMITTEE

The Board of Directors of Chin Teck Plantations Berhad is pleased to present the report of the Audit Committee for the financial year ended 31 August 2004.

Members Of The Audit Committee

The members of the Audit Committee during the financial year ended 31 August 2004 are as follows: -

Chairman	Keong Choon Keat	- Independent Non-Executive Director
Members	Dr Gan Kim Leng	- Independent Non-Executive Director
	Sio Sit Po	- Independent Non-Executive Director
	Wong Aun Phui	- Non-Independent Executive Director
	Goh Pock Ai	- Non-Independent Executive Director

Terms Of Reference

The Terms of Reference of the Audit Committee are as follows: -

1. Formation

1.1 The Board pursuant to its resolution formed the Audit Committee on 25 June 1994.

2. Membership

2.1 The members of the Audit Committee shall be appointed by the Board from amongst their number and shall consist of not fewer than three (3) members of whom a majority shall be independent directors.

2.2 At least one (1) member of the Audit Committee: -

- (i) must be a member of the Malaysian Institute of Accountants; or
- (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and: -
- (iii) (a) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
- (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

2.3 No alternate director can be appointed as a member of the Audit Committee.

2.4 The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an independent director.

2.5 If a member of the Audit Committee retires, resigns, dies or for any reason ceases to be a member resulting in the non-compliance of paragraph 2.1 and 2.2 above, the Board shall within three (3) months of that event, fill the vacancy.

2.6 The Company Secretary or such other person as the Audit Committee may determine shall be the Secretary of the Audit Committee.

REPORT ON AUDIT COMMITTEE

Terms Of Reference (Contd.)

3. Meeting

- 3.1 Meetings of Audit Committee shall be held at least four (4) times a year.
- 3.2 In order to form a quorum in respect of a meeting of an Audit Committee, the majority of members present must be independent directors.
- 3.3 Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditors believes should be brought to the attention of the Board or shareholders.
- 3.4 The Audit Committee shall meet with the external auditors excluding the attendance of the executive members of the Audit Committee, whenever deemed necessary.
- 3.5 At least 5 calendar days' notice should be given to members of the Audit Committee before a meeting is held. In an emergency meeting, the notice can be shortened provided majority of members agree.
- 3.6 Each member is entitled to one vote. Decision arising from any meeting shall be by majority of votes. The Chairman has no casting vote.
- 3.7 Other directors and employees may attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

4. Authority

- 4.1 The Audit Committee is authorised to investigate any activity within its term of reference.
- 4.2 The Audit Committee shall have the resources, which are required to perform its duties.
- 4.3 The Audit Committee shall have full and unrestricted access to any information pertaining to the Group and is authorised to seek any information it requires from any employees and all employees are directed to co-operate with any request made by the Audit Committee and is free to summon any employee to appear before the meeting of the Audit Committee.
- 4.4 The Audit Committee is authorised to communicate directly with the external auditors and person(s) carrying out the internal audit function.
- 4.5 The Audit Committee is authorised to obtain independent professional service or other service and to secure the attendance of persons with relevant experience and expertise at the meeting of the Audit Committee, if it considers necessary.

REPORT ON AUDIT COMMITTEE

Terms Of Reference (Contd.)

5. Duties and functions

5.1 The duties and functions of the Audit Committee shall be: -

- (a) to review with the external auditors, the audit plan.
- (b) to review with the external auditors, their evaluation of the system of internal controls.
- (c) to review with the external auditors, their audit report.
- (d) to review the assistance given by the employees to the external auditors.
- (e) to review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work.
- (f) to review the internal audit programme, processes, the results of the internal audit programme, process or investigation and consider the findings and recommendations of the internal audit and management's response.
- (g) to review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on: -
 - any change in or implementation of accounting policies and practices
 - the going concern assumption
 - significant and unusual events
 - significant adjustments arising from the audit
 - compliance with accounting standards and other legal requirements
- (h) to review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (i) to discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary)
- (j) to consider the appointment of the external auditors, audit fee and any questions of resignation or dismissal.

5.2 To consider other topics as defined by the Board.

6. Minutes

6.1 The Audit Committee shall cause minutes to be duly entered in books provided for the purpose of all proceedings of meetings of Audit Committee.

6.2 Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

6.3 The Secretary shall circulate the minutes of meetings of Audit Committee to all members of the Board.

7. Reporting of breaches to Bursa Malaysia Securities Berhad

7.1 Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad, the Audit Committee must promptly report such matter to Bursa Malaysia Securities Berhad.

8. Review of the Audit Committee

8.1 The Board must review the terms of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee and the members have carried out their duties in accordance with the terms of reference.

REPORT ON AUDIT COMMITTEE

Number Of Audit Committee Meetings Held During The Financial Year Ended 31 August 2004 And Attendance Of Each Audit Committee Member

During the financial year ended 31 August 2004, a total of four meetings were held.

The attendance of each member is as follows: -

<u>Audit Committee Member</u>	<u>Number of Meetings Attended</u>
Keong Choon Keat	4
Dr Gan Kim Leng	4
Sio Sit Po	3
Wong Aun Phui	3
Goh Pock Ai	3

Summary Of The Activities Of The Audit Committee During The Financial Year Ended 31 August 2004

The Audit Committee met at scheduled times. Agendas were planned and itemised so that matters were deliberated and discussed in a focused and detailed manner.

The Audit Committee carried out the following activities during the financial year ended 31 August 2004: -

- (a) Review of the quarterly and annual financial statements prior to submission to the Board of Directors for consideration and approval.
- (b) Review of the audit results and the audit reports prepared by the external auditors and internal auditors and the recommendations in respect of control weaknesses noted during the course of their audit.
- (c) Review of the audit plans for the financial year prepared by the external auditors.
- (d) Consider and recommend to the Board of Directors the re-appointment of external auditors.
- (e) Review the transactions with related parties as disclosed in the annual financial statements.

Internal Audit Function

The internal audit function has been outsourced to Ernst & Young with the primary objective to carry out a review of the internal control system to determine if the accounting and internal control system procedures have been complied with as well as to identify recommendations to strengthen the accounting and internal control system so as to foster a strong management control environment.

The internal auditors report directly to the Audit Committee.

Two internal audit reports of the Group were presented to the Audit Committee. The internal audit reports summarise the audit approach, scope, significant audit findings, the overall opinion for the internal control review, management comments on the audit findings and recommendations. The internal audit reports also cover the follow-up by the management on implementation of recommendations in their earlier reports.

**STATEMENT ON DIRECTORS' RESPONSIBILITY
FOR THE PREPARATION OF ANNUAL AUDITED ACCOUNTS**

The Directors are required by the Companies Act, 1965 ('the Act') to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and the profit and loss of the Company and of the Group for the financial year.

The Directors are responsible for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group and which enable them to ensure that the financial statements of the Company and of the Group comply with the provisions of the Act and the applicable Approved Accounting Standards in Malaysia.

The Directors consider that the financial statements set out on pages 34 to 64 have been prepared using appropriate accounting policies, which are consistently applied and are in accordance with the provisions of the Act and applicable Approved Accounting Standards in Malaysia.

The Directors have engaged auditors who are required to undertake inspection and make enquiries they consider to be appropriate for the purpose of enabling them to give their audit report set out on page 33.

This statement is made in accordance with a resolution of the Board of Directors dated 29 October 2004.

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

GROUP FINANCIAL PROFILE

	2000	2001	2002	2003	2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	78,808	58,098	70,429	102,412	97,104
Cost of sales	(38,619)	(32,128)	(32,799)	(35,709)	(37,935)
Gross profit	40,189	25,970	37,630	66,703	59,169
Other operating income	4,845	17,838	7,609	3,874	4,711
Administrative expenses	(5,809)	(6,380)	(6,655)	(7,489)	(8,794)
Selling expenses	(2,602)	(2,943)	(2,540)	(2,920)	(2,431)
Replanting expenditure	(1,170)	(455)	-	-	(817)
Operating profit	35,453	34,030	36,044	60,168	51,838
Share of results of associates	2,499	3,848	1,725	1,154	(1,602)
Profit before taxation	37,952	37,878	37,769	61,322	50,236
Taxation	(10,128)	(6,337)	(10,173)	(17,428)	(14,770)
Net profit for the year	27,824	31,541	27,596	43,894	35,466
Dividends	16,038	16,417	17,449	23,055	23,305
Earnings per stock unit (sen)					
Basic	33.3*	37.8	32.4	49.8	39.6
Diluted	-	37.1	31.9	49.5	39.4
Net dividend (%)					
First interim	12.96	8.64	9.00	11.00	13.00
Second interim	15.84	11.00	11.00	15.00	12.96
	28.80	19.64	20.00	26.00	25.96
Dividend cover (times)	1.7	1.9	1.6	1.9	1.5

* Adjusted for the Bonus Issue of 1 for 2.

GROUP FINANCIAL PROFILE

	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	131,763	128,901	124,944	122,062	120,120
Investments in associates	93,990	112,114	126,038	146,544	167,168
Other investments	17,958	2,529	6,161	4,979	15,626
	<u>243,711</u>	<u>243,544</u>	<u>257,143</u>	<u>273,585</u>	<u>302,914</u>
CURRENT ASSETS					
Inventories	1,711	1,964	1,426	1,655	1,836
Trade receivables	3,851	2,519	4,514	4,906	3,766
Other receivables	3,850	11,083	3,099	1,129	1,218
Deposits with financial institutions	108,996	119,436	125,788	140,928	122,375
Cash and bank balances	4,447	2,109	2,106	2,513	4,910
	<u>122,855</u>	<u>137,111</u>	<u>136,933</u>	<u>151,131</u>	<u>134,105</u>
CURRENT LIABILITIES					
Trade payables	1,933	1,379	1,447	1,132	3,192
Other payables	3,651	2,992	2,094	3,014	3,180
Taxation	-	-	-	3,862	727
Dividend	8,821	9,200	-	-	-
	<u>14,405</u>	<u>13,571</u>	<u>3,541</u>	<u>8,008</u>	<u>7,099</u>
NET CURRENT ASSETS					
	<u>108,450</u>	<u>123,540</u>	<u>133,392</u>	<u>143,123</u>	<u>127,006</u>
	<u>352,161</u>	<u>367,084</u>	<u>390,535</u>	<u>416,708</u>	<u>429,920</u>
REPRESENTED BY:					
Share capital	55,688	83,559	87,440	89,164	90,087
Reserves	285,985	273,115	293,055	317,374	330,060
Shareholders' equity	<u>341,673</u>	<u>356,674</u>	<u>380,495</u>	<u>406,538</u>	<u>420,147</u>
Retirement benefits	145	102	-	-	-
Deferred taxation	10,343	10,308	10,040	10,170	9,773
Non-current liabilities	<u>10,488</u>	<u>10,410</u>	<u>10,040</u>	<u>10,170</u>	<u>9,773</u>
	<u>352,161</u>	<u>367,084</u>	<u>390,535</u>	<u>416,708</u>	<u>429,920</u>
Net tangible assets per stock unit (RM)	4.09*	4.27	4.35	4.56	4.66

* Adjusted for the Bonus Issue of 1 for 2.

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

PLANTATIONS STATISTICS

	2000	2001	2002	2003	2004
Planted Area (Hectares)					
As at 31 August					
Mature	11,036	11,512	11,450	11,425	11,124
Immature	502	-	-	-	274
	11,538	11,512	11,450	11,425	11,398
Mature Area Age Profile					
Age in years					
Above 25	3.01%	6.10%	2.91%	3.27%	12.01%
21 – 25	24.06%	36.16%	38.60%	39.16%	31.40%
16 – 20	22.84%	10.92%	9.53%	10.29%	9.25%
11 – 15	7.55%	39.44%	26.10%	36.50%	36.66%
6 – 10	39.35%	2.42%	15.26%	5.87%	9.33%
Below 10	3.19%	4.96%	7.60%	4.91%	1.35%
	100.00%	100.00%	100.00%	100.00%	100.00%
Production (m/t)					
ffb					
- own estates	225,522	269,869	234,794	274,700	214,949
- purchased	43,251	40,791	27,949	31,165	26,084
	268,773	310,660	262,743	305,865	241,033
Crude palm oil	51,440	59,489	51,080	59,341	47,502
Palm kernel	15,346	17,686	15,440	17,810	13,314
Extraction Rate (%)					
Crude palm oil	19.14	19.15	19.44	19.40	19.71
Palm kernel	5.71	5.69	5.88	5.82	5.52

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2004.

Principal Activities

The principal activities of the Company are the cultivation of oil palms, processing and sale of crude palm oil and palm kernel and investment holding.

The principal activity of the subsidiary is that of investment holding.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	Company RM
Net profit for the year	<u>35,466,463</u>	<u>37,675,481</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

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

Dividends

The amount of dividends paid by the Company since 31 August 2003 were as follows:

	RM
In respect of the financial year ended 31 August 2004:	
First interim tax exempt dividend of 13%, on 89,462,250 ordinary stock units, declared on 23 December 2003 and paid on 20 January 2004	11,630,092
Second interim dividend of 18% less 28% taxation, on 90,087,250 ordinary stock units, declared on 30 July 2004 and paid on 30 August 2004	<u>11,675,308</u>
	<u>23,305,400</u>

In view of the payment of the interim dividends, the directors do not recommend a final dividend in respect of the current financial year.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Goh Eng Chew
Wong Aun Phui
Goh Pock Ai
Goh Beng Hwa
Goh Han Teng
Gho Lian Chin
Sio Sit Po
Goh Yeok Beng
Gan Kim Leng
Keong Choon Keat
Goh Wei Lei
Gho Bun Tjin (alternate to Gho Lian Chin)

DIRECTORS' REPORT

Directors (Contd.)

In accordance with the Company's Articles of Association, Gho Lian Chin, Goh Yeok Beng and Keong Choon Keat retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Goh Eng Chew, Wong Aun Phui and Goh Beng Hwa retire pursuant to Section 129 of the Companies Act, 1965 and resolutions are being proposed for their re-appointment as directors under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting.

Directors Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under to the Employee Share Option Scheme.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 5 to the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 26 to the financial statements.

Directors' Interests

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

	Number of Stock Units of RM1.00 Each			At 31.8.2004
	At 1.9.2003	Acquired	Sold	
Direct Interest				
Goh Eng Chew	300,000	100,000	-	400,000
Wong Aun Phui	830,250	100,000	-	930,250
Goh Pock Ai	265,000	120,000	-	385,000
Goh Beng Hwa	2,652,655	-	-	2,652,655
Goh Han Teng	104,250	22,000	-	126,250
Sio Sit Po	414,000	-	-	414,000
Goh Yeok Beng	24,000	-	-	24,000
Gan Kim Leng	68,812	-	-	68,812
Indirect Interest				
Goh Eng Chew	33,520,968	-	-	33,520,968
Goh Beng Hwa	455,625	-	-	455,625
Goh Han Teng	60,000	-	-	60,000
Gho Lian Chin	33,562,968	-	-	33,562,968
Sio Sit Po	1,293,750	-	-	1,293,750
Gan Kim Leng	2,103,750	-	-	2,103,750

DIRECTORS' REPORT

Directors' Interests (Contd.)

**Number of Options Over Ordinary Shares of RM1.00 Each
Granted in 2001 at the Exercise Price of RM3.51 per Ordinary Share**

	At 1.9.2003	Granted	Exercised	At 31.8.2004
Goh Eng Chew	200,000	-	(100,000)	100,000
Wong Aun Phui	200,000	-	(100,000)	100,000
Goh Pock Ai	235,000	-	(120,000)	115,000

Goh Eng Chew and Gho Lian Chin by virtue of their interests in the Company are also deemed interested in the shares of the subsidiary 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 stock units of the Company or shares of its subsidiary during the financial year.

Issue of Shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM89,164,250 to RM90,087,250 by way of the issuance of 923,000 ordinary shares of RM1.00 each for cash pursuant to the Company's Employee Share Option Scheme at the exercise price of RM3.51 per ordinary share. The share premium arising therefrom amounted to RM2,316,730, and this has been credited to the share premium account. The new ordinary shares which were immediately converted into new ordinary stock units of RM1.00 each rank pari passu in all respects with existing ordinary stock units of the Company.

Employee Share Option Scheme

The Chin Teck Plantations Berhad Employee Share Option Scheme ("ESOS") is governed by the bye-laws approved by the shareholders at the Extraordinary General Meeting held on 27 November 2000 and became effective on 31 January 2001. The new shares issued pursuant to the ESOS will be immediately converted into new ordinary stock units of RM1.00 each in the Company upon allotment and issue.

The salient features and other terms of the ESOS are disclosed in Note 20 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted options to subscribe for less than 100,000 ordinary shares of RM1.00 each. The list of employees (including executive directors) granted options to subscribe 100,000 or more ordinary shares of RM1.00 each are as follows:

	Number of Options Over Ordinary Shares of RM1.00 Each at the Exercise Price of RM3.51 per Ordinary Share				
Name	Granted in 2001	At 1.9.2003	Granted	Exercised	At 31.8.2004
Goh Eng Chew	500,000	200,000	-	(100,000)	100,000
Wong Aun Phui	500,000	200,000	-	(100,000)	100,000
Goh Pock Ai	500,000	235,000	-	(120,000)	115,000
Wong Aun Jin	400,000	160,000	-	-	160,000
Gan Kok Tiong	350,000	140,000	-	(36,000)	104,000
Gan Tek Wat	300,000	140,000	-	(80,000)	60,000
Tan Ah Lek @ Tan Ban Chuan	300,000	210,000	-	(60,000)	150,000
Teh Kwee Huat	300,000	120,000	-	(30,000)	90,000
Loo Thung Chong	200,000	129,000	-	(44,000)	85,000
Soh Lep Ching @ Soh Lip Cheng	150,000	60,000	-	(30,000)	30,000
Goh Soo Ee	150,000	60,000	-	(30,000)	30,000
Wong Swee	130,000	52,000	-	(26,000)	26,000
Chong Kit Yin	130,000	72,000	-	(30,000)	42,000
Ong Hua Seng	130,000	71,000	-	(24,000)	47,000
Tan Ah Keng	120,000	80,000	-	(35,000)	45,000

DIRECTORS' REPORT

Other Statutory Information

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper 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 there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) 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 will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant and Subsequent Events

The significant and subsequent events are disclosed in Note 23 and Note 24 to the financial statements respectively.

DIRECTORS' REPORT

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

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

Goh Eng Chew

Kuala Lumpur, Malaysia
29 October 2004

Wong Aun Phui

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

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

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 financial statements set out on pages 34 to 64 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2004 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

Goh Eng Chew

Wong Aun Phui

Kuala Lumpur, Malaysia
29 October 2004

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Gan Kok Tiong, being the officer primarily responsible for the financial management of Chin Teck Plantations Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 34 to 64 are in my opinion 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 the Federal Territory on 29
October 2004

Gan Kok Tiong

Before me:

Ooi Ah Bah
No. W152
Commissioner for Oaths
Kuala Lumpur

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

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

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 financial statements set out on pages 34 to 64 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2004 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

Goh Eng Chew

Wong Aun Phui

Kuala Lumpur, Malaysia
29 October 2004

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Gan Kok Tiong, being the officer primarily responsible for the financial management of Chin Teck Plantations Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 34 to 64 are in my opinion 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.

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Lumpur in the Federal Territory on 29
October 2004

Gan Kok Tiong

Before me:

Ooi Ah Bah
No. W152
Commissioner for Oaths
Kuala Lumpur

**REPORT OF THE AUDITORS TO THE MEMBERS OF
CHIN TECK PLANTATIONS BERHAD**

We have audited the accompanying financial statements set out on pages 34 to 64. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 August 2004 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiary have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' report of the subsidiary, being financial statements that have been included in the consolidated financial statements.

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

The auditors' report on the financial statements of the subsidiary was not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young
AF: 0039
Chartered Accountants

Pushpanathan a/l S. A. Kanagarayar
No. 1056/03/05(J/PH)
Partner

Kuala Lumpur, Malaysia
29 October 2004

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

INCOME STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

	Note	Group		Company	
		2004	2003	2004	2003
		RM	RM	RM	RM
Revenue	3	97,104,527	102,412,423	97,104,527	102,412,423
Cost of sales	3	(37,935,104)	(35,709,521)	(37,935,104)	(35,709,521)
Gross profit		59,169,423	66,702,902	59,169,423	66,702,902
Other operating income		4,711,211	3,874,427	4,708,908	3,871,592
Administrative expenses		(8,793,622)	(7,489,854)	(8,789,222)	(7,485,245)
Selling expenses		(2,430,954)	(2,920,410)	(2,430,954)	(2,920,410)
Replanting expenses		(817,419)	-	(817,419)	-
Profit from operations	4	51,838,639	60,167,065	51,840,736	60,168,839
Share of results of associates		(1,602,162)	1,154,214	-	-
Profit before taxation		50,236,477	61,321,279	51,840,736	60,168,839
Taxation:					
Company and subsidiary		(14,165,477)	(17,085,225)	(14,165,255)	(17,084,470)
Associates		(604,537)	(342,897)	-	-
	7	(14,770,014)	(17,428,122)	(14,165,255)	(17,084,470)
Net profit for the year		35,466,463	43,893,157	37,675,481	43,084,369
Earnings per stock unit (sen)					
Basic	8	39.6	49.8		
Diluted	8	39.4	49.5		
Net dividends per stock unit in respect of the year (sen)	9	26.0	26.0	26.0	26.0

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS AS AT 31 AUGUST 2004

	Note	Group 2004 RM	2003 RM	Company 2004 RM	2003 RM
Non-Current Assets					
Property, plant and equipment	10	120,120,502	122,062,101	120,120,502	122,062,101
Investment in subsidiary	11	-	-	100,000	100,000
Investment in associates	12	167,167,515	146,543,761	114,826,643	94,204,716
Other investments	13	15,626,116	4,979,231	15,626,116	4,979,231
		<u>302,914,133</u>	<u>273,585,093</u>	<u>250,673,261</u>	<u>221,346,048</u>
Current Assets					
Inventories	14	1,835,434	1,655,479	1,835,434	1,655,479
Trade receivables	15	3,766,198	4,906,087	3,766,198	4,906,087
Other receivables	16	1,215,013	1,126,814	1,214,853	1,126,593
Tax recoverable		3,189	2,476	-	-
Due from subsidiary	17	-	-	48,013,329	44,008,329
Cash and bank balances	18	127,285,299	143,440,548	127,190,818	143,348,096
		<u>134,105,133</u>	<u>151,131,404</u>	<u>182,020,632</u>	<u>195,044,584</u>
Current Liabilities					
Trade payables	19	3,191,612	1,132,185	3,191,612	1,132,185
Other payables		3,179,921	3,014,440	3,178,921	3,013,440
Taxation		727,337	3,862,181	727,337	3,862,181
		<u>7,098,870</u>	<u>8,008,806</u>	<u>7,097,870</u>	<u>8,007,806</u>
Net Current Assets		<u>127,006,263</u>	<u>143,122,598</u>	<u>174,922,762</u>	<u>187,036,778</u>
		<u>429,920,396</u>	<u>416,707,691</u>	<u>425,596,023</u>	<u>408,382,826</u>
Represented By:					
Share capital	20	90,087,250	89,164,250	90,087,250	89,164,250
Reserves	21	330,059,760	317,373,441	325,735,387	309,048,576
Shareholders' equity		<u>420,147,010</u>	<u>406,537,691</u>	<u>415,822,637</u>	<u>398,212,826</u>
Deferred taxation	22	9,773,386	10,170,000	9,773,386	10,170,000
Non-current liability		<u>9,773,386</u>	<u>10,170,000</u>	<u>9,773,386</u>	<u>10,170,000</u>
		<u>429,920,396</u>	<u>416,707,691</u>	<u>425,596,023</u>	<u>408,382,826</u>

The accompanying notes form an integral part of the financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2004**

Group	Share Capital (Note 20) RM	Non- distributable Reserves (Note 21) RM	Distributable Reserves (Note 21) RM	Total RM
At 1 September 2002	87,440,250	26,514,346	266,541,158	380,495,754
Transfer to capital reserve relating to gain on sale of other investments	-	-	(342,626)	(342,626)
Transfer from income statement	-	-	342,626	342,626
Transfer of general reserve to retained profits	-	-	(4,350,000)	(4,350,000)
Transfer from general reserve	-	-	4,350,000	4,350,000
Share of capital reserve of an associate	-	58,385	-	58,385
Currency translation difference, representing loss not recognised in the income statement	-	(905,930)	-	(905,930)
Issue of shares pursuant to Employee Share Option Scheme	1,724,000	4,327,240	-	6,051,240
Net profit for the year	-	-	43,893,157	43,893,157
Dividends (Note 9)	-	-	(23,054,915)	(23,054,915)
At 31 August 2003	89,164,250	29,994,041	287,379,400	406,537,691
At 1 September 2003	89,164,250	29,994,041	287,379,400	406,537,691
Transfer to capital reserve relating to gain on sale of other investments	-	-	(432)	(432)
Transfer from income statement	-	-	432	432
Transfer to capital reserve by an associate	-	129,685	(129,685)	-
Currency translation difference, representing loss not recognised in the income statement	-	(1,791,474)	-	(1,791,474)
Issue of shares pursuant to Employee Share Option Scheme	923,000	2,316,730	-	3,239,730
Net profit for the year	-	-	35,466,463	35,466,463
Dividends (Note 9)	-	-	(23,305,400)	(23,305,400)
At 31 August 2004	90,087,250	30,648,982	299,410,778	420,147,010

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2004**

Company	Share Capital (Note 20) RM	Non- distributable Reserves (Note 21) RM	Distributable Reserves (Note 21) RM	Total RM
At 1 September 2002	87,440,250	25,300,676	259,391,206	372,132,132
Transfer to capital reserve relating to gain on sale of other investments	-	-	(342,626)	(342,626)
Transfer from income statement	-	-	342,626	342,626
Transfer of general reserve to retained profits	-	-	(4,350,000)	(4,350,000)
Transfer from general reserve	-	-	4,350,000	4,350,000
Issue of shares pursuant to Employee Share Option Scheme	1,724,000	4,327,240	-	6,051,240
Net profit for the year	-	-	43,084,369	43,084,369
Dividends (Note 9)	-	-	(23,054,915)	(23,054,915)
At 31 August 2003	89,164,250	29,627,916	279,420,660	398,212,826
At 1 September 2003	89,164,250	29,627,916	279,420,660	398,212,826
Transfer to capital reserve relating to gain on sale of other investments	-	-	(432)	(432)
Transfer from income statement	-	-	432	432
Issue of shares pursuant to Employee Share Option Scheme	923,000	2,316,730	-	3,239,730
Net profit for the year	-	-	37,675,481	37,675,481
Dividends (Note 9)	-	-	(23,305,400)	(23,305,400)
At 31 August 2004	90,087,250	31,944,646	293,790,741	415,822,637

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Cash Flows From Operating Activities				
Profit before taxation	50,236,477	61,321,279	51,840,736	60,168,839
Adjustment for:				
Depreciation	3,162,951	3,202,928	3,162,951	3,202,928
Property, plant and equipment written off	19,291	-	19,291	-
Gain on disposal of property, plant and equipment	(187,623)	(180)	(187,623)	(180)
Gain on sale of other investments	(432)	(342,626)	(432)	(342,626)
Write back of provision for diminution in value of other investments	-	(117,932)	-	(117,932)
Unrealised (gain) / loss on foreign exchange	(644,445)	74,738	(644,445)	74,738
Interest income	(3,041,171)	(3,056,087)	(3,038,868)	(3,053,252)
Gross dividend income	(729,859)	(319,330)	(729,859)	(319,330)
Share of results of associates	1,602,162	(1,154,214)	-	-
Operating profit before working capital changes	50,417,351	59,608,576	50,421,751	59,613,185
Increase in inventories	(179,955)	(229,860)	(179,955)	(229,860)
Decrease / (increase) in receivables	1,074,054	(656,676)	1,074,054	(656,676)
Increase in amount due from subsidiary	-	-	(4,005,000)	(12,000,000)
Increase in payables	2,224,908	605,516	2,224,908	605,516
Cash generated from operations	53,536,358	59,327,556	49,535,758	47,332,165
Taxes paid	(17,547,985)	(10,747,396)	(17,547,050)	(10,747,188)
Net cash generated from operating activities	35,988,373	48,580,160	31,988,708	36,584,977

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004 (Contd.)

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Cash Flows From Investing Activities				
Purchase of property, plant and equipment	(1,400,470)	(321,194)	(1,400,470)	(321,194)
Proceeds from disposal of property, plant and equipment	347,450	180	347,450	180
Investments in associates	(24,621,927)	(20,541,600)	(20,621,927)	(8,541,600)
Purchase of other investments	(10,648,238)	(4,311,849)	(10,648,238)	(4,311,849)
Proceeds from sale of other investments	557	5,954,172	557	5,954,172
Placement of fixed deposits	(13,032)	(13,690)	(13,032)	(13,690)
Interest received	3,018,807	3,015,796	3,016,443	3,012,945
Net dividends received	580,196	248,571	580,196	248,571
Capital distribution from a quoted investment	1,228	-	1,228	-
Net cash used in investing activities	(32,735,429)	(15,969,614)	(28,737,793)	(3,972,465)
Cash Flows From Financing Activities				
Proceeds from issue of shares pursuant to Employee Share Option Scheme	3,239,730	6,051,240	3,239,730	6,051,240
Dividends paid	(23,305,400)	(23,054,915)	(23,305,400)	(23,054,915)
Net cash used in financing activities	(20,065,670)	(17,003,675)	(20,065,670)	(17,003,675)
Net (Decrease) / Increase In Cash And Cash Equivalents	(16,812,726)	15,606,871	(16,814,755)	15,608,837
Effects Of Exchange Rate Changes	644,445	(74,738)	644,445	(74,738)
Cash And Cash Equivalents At Beginning Of The Year	142,622,112	127,089,979	142,529,660	126,995,561
Cash And Cash Equivalents At End Of The Year (Note 18)	126,453,831	142,622,112	126,359,350	142,529,660

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

1. Corporate Information

The principal activities of the Company are the cultivation of oil palms, processing and sale of crude palm oil and palm kernel and investment holding. The principal activity of the subsidiary is that of investment holding. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 107-1, Changkat Tambi Dollah, 55100 Kuala Lumpur.

The number of employees in both the Group and the Company at the end of the financial year was 518 (2003: 406).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 October 2004.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

(b) Basis of Consolidation

(i) Subsidiary

The consolidated financial statements include the financial statements of the Company and its subsidiary. A subsidiary is an entity in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activity.

The subsidiary is consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of the subsidiary are included in the consolidated income statement from the effective date of acquisition. The assets and liabilities of the subsidiary are measured at their fair values at the date of acquisition. The difference between the cost of the acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation. Goodwill and negative goodwill arising on consolidation is not amortised.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill.

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

2. Significant Accounting Policies (Contd.)

(b) Basis of Consolidation (Contd.)

(ii) Associates

Associates are those entities in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the entities.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the financial year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless costs cannot be recovered.

(c) Investments in Subsidiary and Associates

The Company's investments in subsidiary and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(j).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

(d) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(j).

Freehold and long term leasehold estates represent freehold and long term leasehold land and new planting expenditure.

The freehold estates and a long term leasehold estate of the Company have not been revalued since their revaluation in 1983. The directors have not adopted a policy of regular revaluations of such assets. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") on adoption of MASB 15 Property, Plant and Equipment, the valuation of these assets has not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation.

Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation decrease is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised as an expense. Upon disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

Freehold estates are not depreciated. Long term leasehold land is depreciated over the period of the respective leases of 86 and 99 years.

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

2. Significant Accounting Policies (Contd.)

(d) Property, Plant and Equipment and Depreciation (Contd.)

Depreciation of other property, plant and equipment is provided on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

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

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

(e) New Planting Expenditure

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

(f) Replanting Expenditure

Replanting expenditure incurred in the financial year is recognised as an expense in the income statement. Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

(g) Inventories

Inventories 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 inventories of oil palm produce includes, where appropriate, the cost of direct materials, direct labour and appropriate production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(h) Cash and Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents include cash on hand and at banks and deposits at call which have an insignificant risk of changes in value, net of deposits pledged to financial institutions.

The statements of cash flows are prepared using the indirect method.

(i) Foreign Currency

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of transactions. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement.

The Group's share of net assets of a foreign associate are translated into Ringgit Malaysia at the rate of exchange ruling at the balance sheet date. All exchange differences due to such currency translation are recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

2. Significant Accounting Policies (Contd.)

(i) Foreign Currency (Contd.)

The principal exchange rate for every unit of foreign currency ruling at balance sheet date is as follows:

	2004	2003
	RM	RM
Singapore Dollar	2.187	2.138

(j) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(k) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

2. Significant Accounting Policies (Contd.)

(l) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses, commission and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Employee Share Option Scheme

The Chin Teck Plantations Berhad Employee Share Option Scheme allows the Group's employees to subscribe for shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

(iii) Retirement Benefits

Retirement benefits are recognised as an expense as and when incurred.

(iv) Defined Contribution Plan

As required by law, the Group makes contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(m) Revenue Recognition

Revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Revenue – Sale of Goods

Revenue relating to sale of goods is recognised when delivery has taken place and the transfer of risks and rewards has been completed.

(ii) Other Operating Income

(a) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

2. Significant Accounting Policies (Contd.)

(n) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangements. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Other Non-Current Investments

Non-current investments other than investments in subsidiary and associates are stated at cost less provision for any diminution in value. Such provision is made when there is a decline in the value of investments and is recognised as an expense in the period in which the decline occurred.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement. The gains arising from disposal of investments are thereafter transferred to capital reserve.

(ii) Trade and Other Receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade and Other Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. Revenue And Cost of Sales

Revenue of the Group and the Company represents the invoiced value of sales of crude palm oil and palm kernel. The costs of sales in relation to the Group's and Company's invoiced value of sales consists of cost of cultivation, raw materials, labour and overheads.

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

4. Profit From Operations

Profit from operations is stated after charging / (crediting):

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Auditors' remuneration:				
Statutory audits	39,000	39,000	38,000	38,000
Other services	56,000	56,000	56,000	56,000
Depreciation	3,162,951	3,202,928	3,162,951	3,202,928
Directors' remuneration (Note 5)	1,318,089	1,301,254	1,318,089	1,301,254
Loss on foreign exchange:				
Unrealised	-	74,738	-	74,738
Realised	-	19	-	19
Property, plant and equipment written off	19,291	-	19,291	-
Staff costs (Note 6)	6,151,043	5,340,597	6,151,043	5,340,597
Gross dividends received from quoted investments:				
In Malaysia	(222,754)	(140,278)	(222,754)	(140,278)
Outside Malaysia	(507,105)	(179,052)	(507,105)	(179,052)
Gain on disposal of property, plant and equipment	(187,623)	(180)	(187,623)	(180)
Gain on foreign exchange:				
Unrealised	(644,445)	-	(644,445)	-
Realised	(12,333)	-	(12,333)	-
Interest income	(3,041,171)	(3,056,087)	(3,038,868)	(3,053,252)
Net gain on sale of other investments	(432)	(342,626)	(432)	(342,626)
Write back of provision for diminution in value of other investments	-	(117,932)	-	(117,932)

5. Directors' Remuneration

	Group and Company	
	2004	2003
	RM	RM
Directors of the Company		
Executive:		
Fees	65,000	54,000
Salaries	420,000	420,000
Commission	622,089	661,857
Other emoluments	6,000	6,000
	<u>1,113,089</u>	<u>1,141,857</u>
Non-executives:		
Fees	184,000	138,397
Other emoluments	21,000	21,000
	<u>205,000</u>	<u>159,397</u>
Total	<u>1,318,089</u>	<u>1,301,254</u>

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

5. Directors' Remuneration (Contd.)

The number of directors of the Company whose total remuneration during the year fell within the following bands is as follows:

	Number of Directors	
	2004	2003
Executive directors:		
RM250,001 - RM300,000	-	1
RM300,001 - RM350,000	2	1
RM350,001 - RM400,000	-	-
RM400,001 - RM450,000	-	-
RM450,001 - RM500,000	1	-
RM500,001 - RM550,000	-	1
	<u>3</u>	<u>3</u>
Non-executive directors:		
Below RM50,000	8	8
	<u>11</u>	<u>11</u>

Executive directors of the Company have been granted the following number of options under the Employee Share Option Scheme:

	Group and Company	
	2004	2003
	RM	RM
At 1 September 2003/2002	635,000	900,000
Exercised	(320,000)	(265,000)
At 31 August	<u>315,000</u>	<u>635,000</u>

The share options were granted on the same terms and conditions as those offered to other employees of the Group (Note 20).

6. Staff Costs

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Wages and salaries	5,192,859	4,524,521	5,192,859	4,524,521
Social security costs	37,906	33,040	37,906	33,040
Employees provident fund	556,776	491,483	556,776	491,483
Other staff related expenses	363,502	291,553	363,502	291,553
	<u>6,151,043</u>	<u>5,340,597</u>	<u>6,151,043</u>	<u>5,340,597</u>

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

7. Taxation

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Income tax:				
Malaysian	14,531,913	16,936,443	14,531,475	16,935,688
Foreign	95,525	35,918	95,525	35,918
	<u>14,627,438</u>	<u>16,972,361</u>	<u>14,627,000</u>	<u>16,971,606</u>
Overprovided in prior years:				
Malaysian income tax	(65,347)	(17,136)	(65,131)	(17,136)
	<u>14,562,091</u>	<u>16,955,225</u>	<u>14,561,869</u>	<u>16,954,470</u>
Deferred tax relating to origination / reversal of temporary differences (Note 22)	<u>(396,614)</u>	<u>130,000</u>	<u>(396,614)</u>	<u>130,000</u>
Share of taxation of associates	<u>604,537</u>	<u>342,897</u>	<u>-</u>	<u>-</u>
	<u>14,770,014</u>	<u>17,428,122</u>	<u>14,165,255</u>	<u>17,084,470</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2003: 28%) of the estimated assessable profit for the year. Taxation for the other jurisdiction is calculated at the rates prevailing in that jurisdiction.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2004	2003
	RM	RM
Group		
Profit before taxation	<u>50,236,477</u>	<u>61,321,279</u>
Taxation at Malaysian statutory tax rate of 28% (2003: 28%)	14,066,214	17,169,958
Effect of lower statutory tax rate of 20% for the subsidiary	168	-
Effect of different tax rate in other country	15,932	(131,380)
Income not subject to tax	(363,056)	(300,424)
Expenses not deductible for tax purposes	1,170,706	729,518
Utilisation of reinvestment allowances	(54,603)	(22,414)
Overprovision of income tax expenses in prior years	(65,347)	(17,136)
Tax expense for the year	<u>14,770,014</u>	<u>17,428,122</u>

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

7. Taxation (Contd.)

	2004	2003
	RM	RM
Company		
Profit before taxation	51,840,736	60,168,839
Taxation at Malaysian statutory tax rate of 28% (2003: 28%)	14,515,406	16,847,275
Effect of different tax rate in other country	(33,016)	(9,794)
Income not subject to tax	(280,261)	(182,052)
Expenses not deductible for tax purposes	82,860	468,591
Utilisation of reinvestment allowances	(54,603)	(22,414)
Overprovision of income tax expenses in prior years	(65,131)	(17,136)
Tax expense for the year	14,165,255	17,084,470

8. Earnings Per Stock Unit

(a) Basic

Basic earnings per stock unit is calculated by dividing the net profit for the year by the weighted average number of ordinary stock units in issue during the financial year.

	Group	
	2004	2003
Net profit for the year (RM)	35,466,463	43,893,157
Weighted average number of ordinary stock units in issue	89,498,460	88,085,587
Basic earnings per stock unit (sen)	39.6	49.8

(b) Diluted

Diluted earnings per stock unit is calculated by dividing the net profit for the year by the adjusted weighted average number of ordinary stock units in issue during the financial year. For the purpose of calculating the diluted earnings per stock unit, the weighted average number of ordinary stock units have been adjusted for the effect of dilutive potential ordinary stock units from the exercise of options under the Employee Share Option Scheme. The adjusted weighted average number of stock units is the weighted average number of ordinary stock units in issue during the financial year plus the weighted average number of stock units which would be issued on the exercise of the outstanding options under the Employee Share Option Scheme into ordinary stock units.

	Group	
	2004	2003
Net profit for the year (RM)	35,466,463	43,893,157
Weighted average number of ordinary stock units in issue	89,498,460	88,085,587
Effect of dilution from share options	434,308	606,561
Adjusted weighted average number of ordinary stock units in issue and issuable	89,932,768	88,692,148
Diluted earnings per stock unit (sen)	39.4	49.5

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

9. Dividends

	Amount		Net Dividend per Stock Unit	
	2004	2003	2004	2003
	RM	RM	Sen	Sen
First interim tax exempt dividend of 13%, on 89,462,250 ordinary stock units, declared on 23 December 2003 and paid on 20 January 2004 (2003: 11%, tax exempt, on 88,035,250 ordinary stock units declared on 27 January 2003 and paid on 28 February 2003)	11,630,092	9,683,878	13.0	11.0
Second interim dividend of 18% less 28% taxation, on 90,087,250 ordinary stock units, declared on 30 July 2004 and paid on 30 August 2004 (2003: 15%, tax exempt, on 89,140,250 ordinary stock units declared on 29 July 2003 and paid on 30 August 2003)	11,675,308	13,371,037	13.0	15.0
	<u>23,305,400</u>	<u>23,054,915</u>	<u>26.0</u>	<u>26.0</u>

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

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

10. Property, Plant And Equipment

Group and Company	<-----Valuation ----->			< -----Cost ----->				
	Freehold Estates RM	Long Term Leasehold Estate RM	Long Term Leasehold Estate RM	Buildings RM	Motor Vehicles RM	Estate Equipment and Furniture RM	Plant and Machinery RM	Total RM
Valuation / Cost								
At 1 September 2003	37,715,500	44,033,154	31,327,736	16,388,256	4,344,197	4,055,347	21,498,015	159,362,205
Additions	-	-	-	6,830	1,008,120	60,501	325,019	1,400,470
Disposal	-	-	-	-	(1,033,961)	-	-	(1,033,961)
Write off	-	-	-	(23,332)	-	(31,903)	(335,986)	(391,221)
At 31 August 2004	37,715,500	44,033,154	31,327,736	16,371,754	4,318,356	4,083,945	21,487,048	159,337,493
Accumulated Depreciation								
At 1 September 2003	-	2,792,400	1,012,224	10,593,835	3,987,631	2,708,381	16,205,633	37,300,104
Charge for the year (Note 4)	-	232,700	84,352	880,472	208,223	300,085	1,457,119	3,162,951
Disposal	-	-	-	-	(874,134)	-	-	(874,134)
Write off	-	-	-	(22,158)	-	(26,848)	(322,924)	(371,930)
At 31 August 2004	-	3,025,100	1,096,576	11,452,149	3,321,720	2,981,618	17,339,828	39,216,991
Net Book Value								
At 31 August 2004	37,715,500	41,008,054	30,231,160	4,919,605	996,636	1,102,327	4,147,220	120,120,502
At 31 August 2003	37,715,500	41,240,754	30,315,512	5,794,421	356,566	1,346,966	5,292,382	122,062,101
Details at 1 September 2002								
Valuation / Cost	37,715,500	44,033,154	31,327,736	16,271,702	4,308,427	3,943,727	21,446,015	159,046,261
Accumulated Depreciation	-	2,559,700	927,872	9,711,522	3,783,434	2,417,923	14,701,975	34,102,426
Depreciation charge for 2003	-	232,700	84,352	882,313	204,197	295,708	1,503,658	3,202,928

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

10. Property, Plant And Equipment (Contd.)

- (a) Details of freehold and long term leasehold estates which were revalued by a firm of professional valuers in 1983 based on their open market values on existing use basis are as follows:

Description of Property	Amount RM
Freehold estates:	
Jemima & Sungei Sendayan Estate Mukim of Jimah and Mukim of Port Dickson Daerah Port Dickson Negeri Sembilan Darul Khusus	21,665,918
Gua Musang Estate Mukim of Ketil, Daerah Gua Musang Kelantan Darul Naim	16,049,582
	<u>37,715,500</u>
Long term leasehold estate:	
Keratong Estate Mukim of Keratong, Daerah of Rompin Pahang Darul Makmur	<u>44,033,154</u>

Had the revalued estates been carried at historical cost, the net book value of the freehold and long term leasehold estates that would have been included in the financial statements of the Group and the Company as at 31 August 2004 would be approximately RM7,201,144 (2003 : RM7,201,144) and RM11,691,990 (2003 : RM11,859,018) respectively.

- (b) Included in property, plant and equipment are the following fully depreciated assets which are still in use:

	Group and Company	
	2004	2003
	RM	RM
At Cost		
Buildings	3,721,028	3,486,356
Plant and machinery	7,135,626	6,674,966
Motor vehicles	3,237,373	3,383,175
Estate equipment and furniture	855,309	778,842
	<u>14,949,336</u>	<u>14,323,339</u>

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11. Investment In Subsidiary

	Company	
	2004	2003
	RM	RM
Investment in subsidiary:		
Unquoted shares, at cost	100,000	100,000

The subsidiary company which is incorporated in Malaysia is:

Name of Subsidiary	Equity Interest Held (%)		Principal Activity
	2004	2003	
Double Alliance Sdn. Bhd.	100	100	Investment Holding

12. Investment In Associates

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Unquoted shares, at cost				
At 1 September 2003 / 2002	138,204,716	117,663,116	94,204,716	85,663,116
Increase during the year	24,621,927	20,541,600	20,621,927	8,541,600
At 31 August	162,826,643	138,204,716	114,826,643	94,204,716
Share of post-acquisition reserves	6,140,605	8,347,304	-	-
Currency translation differences	(1,799,733)	(8,259)	-	-
	167,167,515	146,543,761	114,826,643	94,204,716

Represented by:

Share of net assets	167,167,515	146,543,761
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The associates are:

Name of Associates	Equity Interest Held (%)		Principal Activities
	2004	2003	
Sin Thye Management Sdn. Bhd. *	50	50	Provision of management and advisory services and acting as an insurance agent
West Synergy Sdn. Bhd. *	40	40	Property development and investment
Global Formation (M) Sdn. Bhd. *	50	50	Investment holding
Gaeronic Pte. Ltd. **#	24.88	24.88	Investment holding and food manufacturing

* Incorporated in Malaysia

** Incorporated in the Republic of Singapore

Audited by firms of auditors other than Ernst & Young

NOTES TO THE FINANCIAL STATEMENTS
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13. Other Investments

	Group and Company	
	2004	2003
	RM	RM
Quoted shares, at cost		
In Malaysia	3,777,123	2,954,605
Outside Malaysia	10,265,773	1,559,926
	<u>14,042,896</u>	<u>4,514,531</u>
Unquoted shares, at cost	1,583,220	464,700
Total other investments	<u>15,626,116</u>	<u>4,979,231</u>
Market value of quoted shares		
In Malaysia	5,075,781	3,951,516
Outside Malaysia	10,527,890	1,582,655
	<u>15,603,671</u>	<u>5,534,171</u>

14. Inventories

	Group and Company	
	2004	2003
	RM	RM
At cost:		
Oil palm produce	527,365	510,490
Estate stores	1,308,069	1,144,989
	<u>1,835,434</u>	<u>1,655,479</u>

15. Trade Receivables

	Group and Company	
	2004	2003
	RM	RM
Trade receivables	4,089,906	5,229,795
Less: Provision for doubtful debts	(323,708)	(323,708)
	<u>3,766,198</u>	<u>4,906,087</u>

The Group's normal trade credit term is 30 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

NOTES TO THE FINANCIAL STATEMENTS
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16. Other Receivables

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Deposits, prepayments and other receivables	1,690,939	1,602,740	1,690,779	1,602,519
Less: Provision for doubtful debts	(475,926)	(475,926)	(475,926)	(475,926)
	<u>1,215,013</u>	<u>1,126,814</u>	<u>1,214,853</u>	<u>1,126,593</u>

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

17. Due From Subsidiary

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

18. Cash And Cash Equivalents

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Cash on hand and at banks	4,909,960	2,512,713	4,885,479	2,510,261
Deposits with:				
- licensed banks	96,023,239	99,292,435	95,953,239	99,202,435
- licensed finance companies	6,900,000	11,900,000	6,900,000	11,900,000
- other financial institutions	19,452,100	29,735,400	19,452,100	29,735,400
	<u>122,375,339</u>	<u>140,927,835</u>	<u>122,305,339</u>	<u>140,837,835</u>
Cash and bank balances	127,285,299	143,440,548	127,190,818	143,348,096
Less: Deposits pledged for bank guarantee facilities	(831,468)	(818,436)	(831,468)	(818,436)
Cash and cash equivalents	<u>126,453,831</u>	<u>142,622,112</u>	<u>126,359,350</u>	<u>142,529,660</u>

(a) Deposit with other financial institutions relate to placements with a merchant bank and a foreign bank.

(b) The weighted average effective interest rates on deposits at the balance sheet date were as follows:

	Group		Company	
	2004	2003	2004	2003
	%	%	%	%
Licensed banks	2.71	2.76	2.71	2.76
Licensed finance companies	2.81	2.85	2.81	2.85
Other financial institutions	0.96	1.13	0.96	1.13

(c) The average maturities of deposits at the end of the financial year were as follows:

	Group		Company	
	2004	2003	2004	2003
	Days	Days	Days	Days
Licensed banks	88	80	88	80
Licensed finance companies	92	92	92	92
Other financial institutions	22	18	22	18

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19. Trade Payables

	Group and Company	
	2004	2003
	RM	RM
Due to Negri Sembilan Oil Palms Berhad, a company in which several directors and substantial shareholders have interests (as referred to in Note 26)	186,564	169,708
Due to Kai Lee Company, the sole proprietor, who is a person connected to several directors (as referred to in Note 26)	175,050	80,405
Due to Yew Hoe Chan, a partnership of whom, two of the partners are connected to a director (as referred to in Note 26)	841,952	170,874
Due to Seong Thye Plantations Sdn Bhd, a company in which several directors and substantial shareholders have interests (as referred to in Note 26)	1,273,877	-
Due to Timor Oil Palm Plantation Berhad, a company in which several directors and substantial shareholders have interests (as referred to in Note 26)	18,711	-
Other trade payables	695,458	711,198
	3,191,612	1,132,185

The normal trade credit terms granted to the Group range from 30 to 90 days.

20. Share Capital

	Number of		Amount	
	Shares of RM1.00 Each	2003	2004	2003
	2004		RM	RM
Authorised	150,000,000	150,000,000	150,000,000	150,000,000
	Number of Ordinary Stock		Amount	
	Units of RM1.00 Each	2003	2004	2003
	2004		RM	RM
Issued and fully paid:				
At 1 September 2003 / 2002	89,164,250	87,440,250	89,164,250	87,440,250
Issued and fully paid up during the year:				
Options exercised pursuant to Employee Share Option Scheme	923,000	1,724,000	923,000	1,724,000
At 31 August	90,087,250	89,164,250	90,087,250	89,164,250

NOTES TO THE FINANCIAL STATEMENTS
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20. Share Capital (Contd.)

The Chin Teck Plantations Berhad Employee Share Option Scheme (“ESOS”) was approved by the shareholders at the Extraordinary General Meeting held on 27 November 2000 and became effective on 31 January 2001. The new shares issued pursuant to the ESOS will be immediately converted into new ordinary stock units of RM1.00 each in the Company upon allotment and issue.

The main features of the ESOS are as follows:

- (a) Eligible employees (including executive directors) of the Group must have been confirmed and have served at least twelve months in the employment of the Group on or prior to the date of the offer. The Option Committee appointed by the Board of Directors may at its discretion at any time and from time to time as it shall deem fit make an offer, to any eligible employee (including executive directors) whom the Option Committee may at its discretion select, to subscribe for new shares in the Company in accordance with the terms of the ESOS.
- (b) The maximum number of ordinary shares to be issued under the ESOS shall not be more than 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS, which shall be in force for a period of five years from 31 January 2001 to 30 January 2006.
- (c) The subscription price at which eligible employees (including executive directors) are entitled to exercise the option shall be the weighted average market price of the ordinary stock units as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five preceding market days immediately prior to the date of offer provided that:
 - (i) a discount, if any, of not more than 10% from the weighted average market price of the ordinary stock units for the five market days immediately preceding the date of offer is allowed; and
 - (ii) the price so determined shall not be less than the par value of the ordinary stock units of RM1.00 each.
- (d) No offer shall be made for less than 1,000 shares nor more than 500,000 shares to any eligible employee (including executive directors).
- (e) The number of shares under the ESOS or the subscription price or both, so far as the option remain unexercised, may be adjusted following any alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, rights issue, reduction of capital, subdivision and/or consolidation of the Company’s ordinary stock units.
- (f) The shares under the ESOS shall remain unissued until the option is exercised and shall upon allotment and issue rank pari passu in all respects with the existing ordinary stock units of the Company provided always that the shares so issued shall not be entitled to any dividends, rights, allotments and/or distributions, the entitlement date of which precedes the relevant dates of the allotment of the aforesaid shares.

The persons to whom the options have been granted have no right to participate by virtue of the option in any share issue of any other company.

The movement in the options to take up unissued shares of RM1.00 each during the financial year and the subscription price are as follows:

Subscription price per ordinary share	At 1 September 2003	Granted	Exercised	At 31 August 2004
RM3.51	2,237,000	-	(923,000)	1,314,000

The consideration is payable in full on exercise of options.

NOTES TO THE FINANCIAL STATEMENTS
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21. Reserves

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Non-distributable Reserves				
Share premium	16,451,267	14,134,537	16,451,267	14,134,537
Revaluation reserve	15,493,379	15,493,379	15,493,379	15,493,379
Capital reserve of an associate	504,069	374,384	-	-
Exchange fluctuation reserve	(1,799,733)	(8,259)	-	-
	<u>30,648,982</u>	<u>29,994,041</u>	<u>31,944,646</u>	<u>29,627,916</u>
Distributable Reserves				
Capital reserve				
- Gain on sale of investments transferred from income statement	18,526,850	18,526,418	18,526,850	18,526,418
General reserve	-	-	-	-
Retained profits	<u>280,883,928</u>	<u>268,852,982</u>	<u>275,263,891</u>	<u>260,894,242</u>
	<u>299,410,778</u>	<u>287,379,400</u>	<u>293,790,741</u>	<u>279,420,660</u>
Total Reserves	<u>330,059,760</u>	<u>317,373,441</u>	<u>325,735,387</u>	<u>309,048,576</u>

The movement in each category of reserves are as follows:

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Non-distributable Reserves				
Share Premium				
At 1 September 2003 / 2002	14,134,537	9,807,297	14,134,537	9,807,297
Issue of shares pursuant to ESOS	2,316,730	4,327,240	2,316,730	4,327,240
At 31 August	<u>16,451,267</u>	<u>14,134,537</u>	<u>16,451,267</u>	<u>14,134,537</u>
Revaluation Reserve				
At 1 September 2003 / 2002	15,493,379	15,493,379	15,493,379	15,493,379
At 31 August	<u>15,493,379</u>	<u>15,493,379</u>	<u>15,493,379</u>	<u>15,493,379</u>
Capital Reserve of An Associate*				
At 1 September 2003 / 2002	374,384	315,999	-	-
Transfer from retained profits	129,685	-	-	-
Share of capital reserve	-	58,385	-	-
At 31 August	<u>504,069</u>	<u>374,384</u>	<u>-</u>	<u>-</u>
Exchange Fluctuation Reserve				
At 1 September 2003 / 2002	(8,259)	897,671	-	-
Currency translation difference, representing loss not recognised in the income statement	(1,791,474)	(905,930)	-	-
At 31 August	<u>(1,799,733)</u>	<u>(8,259)</u>	<u>-</u>	<u>-</u>
Total Non-distributable Reserves	<u>30,648,982</u>	<u>29,994,041</u>	<u>31,944,646</u>	<u>29,627,916</u>

NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2004

21. Reserves (Contd.)

- * The capital reserve of an associate relates to statutory reserve, enterprise development reserve and capital surplus reserve of its subsidiaries and associates:-

(i) Statutory reserve

The subsidiaries and associates of an associate follow the accounting principles and relevant financial regulations of the People's Republic of China ("PRC GAAP") applicable to wholly foreign-owned enterprises and sino-foreign equity joint venture enterprises in the preparation of the accounting records and the statutory financial statements. The subsidiaries and associates are required to appropriate 10% of the profit arrived at in accordance with PRC GAAP for each year to a statutory reserve. The appropriation to statutory reserve must be made before distribution of dividends to shareholders. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends.

(ii) Enterprise development reserve

In accordance with the Articles of Association, the subsidiaries and associates of an associate are required to appropriate 5% of the profit arrived at in accordance with the PRC GAAP to an enterprise development reserve to fund future development projects. The appropriation to enterprise development reserve must be made before distribution of dividends to shareholders. This reserve is not distributable in the form of cash dividends.

(iii) Capital surplus reserve

The capital surplus reserve comprises profits set aside to fund development projects. This reserve is not distributable in the form of cash dividends.

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Distributable Reserves				
Capital Reserve				
- Gain on Sale of Investments Transferred from Income Statement				
At 1 September 2003 / 2002	18,526,418	18,183,792	18,526,418	18,183,792
Transfer from income statement	432	342,626	432	342,626
At 31 August	18,526,850	18,526,418	18,526,850	18,526,418
General Reserves				
At 1 September 2003 / 2002	-	4,350,000	-	4,350,000
Transfer to retained profits **	-	(4,350,000)	-	(4,350,000)
At 31 August	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
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21. Reserves (Contd.)

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Retained Profits				
At 1 September 2003 / 2002	268,852,982	244,007,366	260,894,242	236,857,414
Transfer to capital reserve by an associate	(129,685)	-	-	-
Gain on sale of investment transferred to capital reserve	(432)	(342,626)	(432)	(342,626)
Transfer from general reserve**	-	4,350,000	-	4,350,000
Net profit for the year	35,466,463	43,893,157	37,675,481	43,084,369
Dividends (Note 9)	(23,305,400)	(23,054,915)	(23,305,400)	(23,054,915)
At 31 August	<u>280,883,928</u>	<u>268,852,982</u>	<u>275,263,891</u>	<u>260,894,242</u>
Total Distributable Reserves	299,410,778	287,379,400	293,790,741	279,420,660

** This relates to a distributable reserve from prior years being transferred to retained profits in the previous year.

As at 31 August 2004, the Company has tax exempt profits available for distribution of approximately RM11,974,000 (2003 : RM23,409,000) subject to agreement with the Inland Revenue Board.

As at 31 August 2004, the Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 to frank the payment of dividends amounting to RM199,049,000 (2003 : RM165,464,000) out of its entire distributable reserves. If the balance of the distributable reserves of RM82,768,000 (2003 : RM90,548,000) were to be distributed as dividends prior to there being sufficient tax credit, the Company would have a Section 108 shortfall of approximately RM23,175,000 (2003 : RM25,353,000).

22. Deferred Taxation

	Group and Company	
	2004	2003
	RM	RM
At 1 September 2003 / 2002	10,170,000	10,040,000
Recognised in income statement (Note 7)	(396,614)	130,000
At 31 August	<u>9,773,386</u>	<u>10,170,000</u>

The components and movements of deferred tax liabilities during the financial year are as follows:

Group and Company				
	Property, Plant and Equipment RM	Revaluation of Estates RM	Receivables RM	Total RM
At 1 September 2002	2,475,000	7,466,000	99,000	10,040,000
Recognised in the income statement	193,000	(35,000)	(28,000)	130,000
At 31 August 2003	<u>2,668,000</u>	<u>7,431,000</u>	<u>71,000</u>	<u>10,170,000</u>
Recognised in the income statement	(290,610)	(35,004)	(71,000)	(396,614)
At 31 August 2004	<u>2,377,390</u>	<u>7,395,996</u>	<u>-</u>	<u>9,773,386</u>

NOTES TO THE FINANCIAL STATEMENTS
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23. Significant Events

During the financial year:

- (i) the Group further subscribed for 4,000,000 non-cumulative redeemable preference shares ("NCRPS") of RM0.01 each in West Synergy Sdn Bhd at RM1.00 per NCRPS for a total cash subscription sum of RM4,000,000 pursuant to a rights issue of shares by West Synergy Sdn Bhd on a pro-rata basis to its shareholders.
- (ii) the Company subscribed for 19,000,000 ordinary shares of RM1.00 each in Global Formation (M) Sdn. Bhd. for a total cash subscription sum of RM19,000,000 pursuant to a rights issue of shares by Global Formation (M) Sdn. Bhd on a pro-rata basis to its shareholders.
- (iii) the Company subscribed for 746,400 cumulative redeemable preference shares ("CRPS") of S\$0.01 each in Gaeronic Pte Ltd at S\$1.00 per CRPS for a total cash subscription sum of RM1,621,927 pursuant to a rights issue of shares by Gaeronic Pte Ltd on a pro-rata basis to its shareholders, and
- (iv) the Company subscribed for 4,000,000 ordinary shares of S\$1.00 each in Huay Guan Investment Pte Ltd for a total cash subscription sum of RM1,118,520 pursuant to a rights issue of shares by Huay Guan Investment Pte Ltd on a pro-rata basis to its shareholders.

24. Subsequent Event

Subsequent to the financial year, the Company increased its issued and paid-up ordinary share capital from RM90,087,250 to RM90,096,250 by way of the issuance of 9,000 ordinary shares of RM1.00 each for cash pursuant to the Company's Employee Share Option Scheme at the exercise price of RM3.51 per ordinary share. The new ordinary shares which were immediately converted into new ordinary stock units of RM1.00 each rank pari passu in all respects with existing ordinary stock units of the Company.

25. Segmental Information

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

26. Significant Related Party Transactions

	Group and Company	
	2004	2003
	RM	RM
Purchase of oil palm produce from Seong Thye Plantations Sdn Bhd, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests	3,807,299	630,417
Purchase of oil palm produce from Negri Sembilan Oil Palms Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Gho Bun Tjin, Goh Beng Hwa and Sio Sit Po) have interests	3,687,311	4,687,642
Management fees paid to Sin Thye Management Sdn. Bhd., an associate in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests	84,177	82,683

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26. Significant Related Party Transactions (Contd.)

	Group and Company	
	2004 RM	2003 RM
Agency fee paid to Tat Lee Commodities Pte. Ltd., a company incorporated in the Republic of Singapore, in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests	18,000	18,000
Purchase of fertilisers from Kai Lee Company, the sole proprietor of whom, Ng Yong Seng, is a person connected to several directors (namely, Goh Eng Chew, Goh Han Teng and Goh Pock Ai)	2,659,045	2,174,713
Purchase of fertilisers from Yew Hoe Chan, a partnership of whom, two of the partners, Gan Eng Heng and Gan Kim Farn, are persons connected to a director, Gan Kim Leng	3,170,623	2,262,748
Purchase of oil palm produce from Timor Oil Palm Plantation Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests	462,604	-
Sale of oil palm produce to Timor Oil Palm Plantation Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests	-	160,307
	Group	
	2004 RM	2003 RM
Secretarial fee paid to Sin Thye Management Sdn. Bhd., an associate in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests	1,800	1,800

The substantial shareholders referred to above are Tiong Thye Company Berhad, Goh Eng Chew, Gho Lian Chin and Goh Seh Kiat.

Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin are deemed interested by virtue of their interests and/or directorships in Tiong Thye Company Berhad and/or the respective companies.

Wong Aun Phui, Goh Beng Hwa and Sio Sit Po are deemed interested by virtue of their interests and/or directorships in the respective companies.

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS
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27. Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange exposure, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Foreign Exchange Risks

The Group's businesses are predominantly located in Malaysia. The functional currency in a foreign associate and other investments quoted outside Malaysia is predominantly denominated in Singapore Dollar which give rise to conversion exposure. The foreign exchange exposures are not hedged.

The unhedged financial assets of the Group that are not denominated in Ringgit Malaysia are as follows:

	Cash and Bank Balances RM	Non-current Investments RM	Total RM
Singapore Dollar			
At 31 August 2004	18,818,085	11,848,993	30,667,078
At 31 August 2003	29,093,257	2,024,626	31,117,883

(c) Liquidity Risks

The Group has adequate cash including fixed deposits to meet its working capital requirements.

(d) Credit Risks

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's association to business partners with high creditworthiness. Trade receivables are usually collected within 30 days credit period and are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration or credit risk related to any financial instruments.

(e) Fair Values

The carrying amounts and estimated fair values of the Group's and the Company's financial instruments as at 31 August 2004 are as follows:

	Group		Company	
	Carrying Amounts RM	Fair Values RM	Carrying Amounts RM	Fair Values RM
Financial Assets				
At 31 August 2004:				
Non-current investments				
Quoted investments	14,042,896	15,603,671	14,042,896	15,603,671
Unquoted investments	1,583,220	*	1,583,220	*
Trade receivables	3,766,198	3,766,198	3,766,198	3,766,198
Other receivables	1,215,013	1,215,013	1,214,853	1,214,853
Amount due from subsidiary	-	-	48,013,329	**
Cash and bank balances	127,285,299	127,285,299	127,190,818	127,190,818

NOTES TO THE FINANCIAL STATEMENTS
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27. Financial Instruments (Contd.)

(e) Fair Values (Contd.)

	Group		Company	
	Carrying Amounts RM	Fair Values RM	Carrying Amounts RM	Fair Values RM
Financial Assets				
At 31 August 2003:				
Non-current investments				
Quoted investments	4,514,531	5,534,171	4,514,531	5,534,171
Unquoted investments	464,700	*	464,700	*
Trade receivables	4,906,087	4,906,087	4,906,087	4,906,087
Other receivables	1,126,814	1,126,814	1,126,593	1,126,593
Amount due from subsidiary	-	-	44,008,329	**
Cash and bank balances	143,440,548	143,440,548	143,348,096	143,348,096
Financial Liabilities				
At 31 August 2004:				
Trade payables	3,191,612	3,191,612	3,191,612	3,191,612
Other payables	3,179,921	3,179,921	3,178,921	3,178,921
At 31 August 2003:				
Trade payables	1,132,185	1,132,185	1,132,185	1,132,185
Other payables	3,014,440	3,014,440	3,013,440	3,013,440

* It is not practicable to estimate the fair value of the unquoted investment because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

** It is not practicable to estimate the fair value of amount due from subsidiary due principally to lack of fixed repayment terms entered into by the parties concerned and without incurring excessive costs.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Bank Balances, Trade and Other Receivables / Payables

The carrying values approximate their fair values due to the relatively short term maturity of these financial instruments.

(ii) Non-current Investments

The fair value of the quoted investments is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

SHAREHOLDING STATISTICS AS AT 13 DECEMBER 2004

Share capital

Authorised	: RM150,000,000
Issued and fully paid	: RM90,133,250
Class of stock units	: Ordinary stock units of RM1 each
Voting rights	: One vote per stock unit
No. of shareholders	: 2,337

Distribution schedule of issued and paid-up share capital

No. of Holders	%	Holdings	Total Holdings	%
26	1.11	Less than 100	843	*
378	16.18	100 to 1,000	297,594	0.33
1,583	67.74	1,001 to 10,000	4,900,165	5.44
266	11.38	10,001 to 100,000	7,582,304	8.41
83	3.55	100,001 to less than 5% of the issued shares	43,845,626	48.65
1	0.04	5% and above of the issued shares	33,506,718	37.17
2,337	100.00		90,133,250	100.00

* Less than 0.01%

Interests of directors in the stock units of the Company

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units of RM1.00 each	%	No. of Stock Units of RM1.00 each	%
Goh Eng Chew	400,000	0.44	33,520,968	37.19
Wong Aun Phui	930,250	1.03	-	-
Goh Pock Ai	400,000	0.44	-	-
Goh Beng Hwa	2,652,655	2.94	455,625	0.51
Dr Goh Han Teng	126,250	0.14	60,000	0.07
Gho Lian Chin	-	-	33,562,968	37.24
Sio Sit Po	414,000	0.46	1,293,750	1.44
Goh Yeok Beng	24,000	0.03	-	-
Dr Gan Kim Leng	68,812	0.08	2,103,750	2.33
Keong Choon Keat	-	-	-	-
Goh Wei Lei	-	-	-	-
Gho Bun Tjin	-	-	-	-

SHAREHOLDING STATISTICS AS AT 13 DECEMBER 2004

Interests of directors in the options under the Chin Teck Plantations Berhad Employee Share Option Scheme

Name of Directors	No. of Options	%
Goh Eng Chew	100,000	7.89
Wong Aun Phui	100,000	7.89
Goh Pock Ai	100,000	7.89
Goh Beng Hwa	-	-
Dr Goh Han Teng	-	-
Gho Lian Chin	-	-
Sio Sit Po	-	-
Goh Yeok Beng	-	-
Dr Gan Kim Leng	-	-
Keong Choon Keat	-	-
Goh Wei Lei	-	-
Gho Bun Tjin	-	-

Interests of directors in shares of subsidiary, Double Alliance Sdn Bhd

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1.00 each	%	No. of Ordinary Shares of RM1.00 each	%
Goh Eng Chew	-	-	100,000	100.00
Wong Aun Phui	-	-	-	-
Goh Pock Ai	-	-	-	-
Goh Beng Hwa	-	-	-	-
Dr Goh Han Teng	-	-	-	-
Gho Lian Chin	-	-	100,000	100.00
Sio Sit Po	-	-	-	-
Goh Yeok Beng	-	-	-	-
Dr Gan Kim Leng	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Wei Lei	-	-	-	-
Gho Bun Tjin	-	-	-	-

Substantial shareholders (excluding bare trustees) as shown in the register of substantial shareholders

Name of Substantial Shareholders	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units of RM1.00 each	%	No. of Stock Units of RM1.00 each	%
Tiong Thye Company Berhad	33,506,718	37.17	-	-
Goh Eng Chew	400,000	0.44	33,520,968	37.19
Gho Lian Chin	-	-	33,562,968	37.24
Goh Seh Kiat	-	-	33,506,718	37.17

SHAREHOLDING STATISTICS AS AT 13 DECEMBER 2004

List of 30 largest securities account holders according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same person)

	Name	No. of Stock Units	%
1.	Tiong Thye Company Berhad	33,506,718	37.17
2.	Gan Puay Chee Sendirian Berhad	3,195,000	3.54
3.	Shing Loong Sdn Berhad	2,951,905	3.28
4.	Keck Seng (Malaysia) Berhad	2,784,375	3.09
5.	Goh Beng Hwa @ Gho Bin Hoa	2,652,655	2.94
6.	Gan Seng Lian Sendirian Berhad	1,868,250	2.07
7.	Malaysia Nominees (Asing) Sendirian Berhad Oversea-Chinese Bank Nominees Pte Ltd for Oversea-Chinese Banking Corporation Limited	1,297,500	1.44
8.	Affin Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Hillcrest Pte Ltd	1,293,750	1.44
9.	Valuecap Sdn Bhd	1,247,500	1.38
10.	Affin Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Sio Sioe Soen	1,156,875	1.28
11.	Chew Huaipin Sdn Bhd	1,152,000	1.28
12.	Mayban Securities Nominees (Asing) Sdn Bhd OCBC Securities Private Limited for Nanyang Gum Benjamin Manufacturing (Private) Limited	1,127,625	1.25
13.	Gho Eng Liong	1,097,625	1.22
14.	Teh Liang Peng Sdn Bhd	1,000,000	1.11
15.	Gan Kim Toon Sdn Bhd	930,625	1.03
16.	Wong Aun Phui	930,250	1.03
17.	Kam Loong Mining Sdn Bhd	925,000	1.03
18.	Thye Heng (How Kee) Company Sdn Bhd	893,700	0.99
19.	Lim Kee Chiok Sendirian Berhad	734,719	0.82
20.	Chin Leong Huat Sdn Bhd	722,125	0.80
21.	Goh Hooi Khim	705,750	0.78
22.	Lembaga Tabung Haji	694,000	0.77
23.	Gho Kim Phek @ Goh Kim Phaik	678,937	0.75
24.	Thye Heng (How Kee) Company Sdn Bhd	579,100	0.64
25.	Mayban Securities Nominees (Asing) Sdn Bhd OCBC Securities Private Limited for Hin Lam Trading Company Private Limited	562,500	0.63
26.	HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Lee Beng Wah	469,500	0.52
27.	Ong Swee Heoh	455,625	0.51
28.	Employees Provident Fund Board	437,600	0.49
29.	Ang Tien Cheng & Sons Sdn Bhd	424,500	0.47
30.	HDM Nominees (Asing) Sdn Bhd Kim Eng Securities Pte Ltd for Sio Sit Po	414,000	0.46
		<u>66,889,709</u>	<u>74.21</u>

LIST OF PROPERTIES AS AT 31 AUGUST 2004

Location	Tenure	Size Hectares	Description	Net book value as at 31 August 2004 RM'000
Jemima & Sungei Sendayan Estate ^{*b}	Freehold	1,617	Oil palm estate with mill (Approximate age of mill: 19 years)	22,600 ^{*a}
Lot 490, 491, 6052, 3058, 3059, 1750, 1973, 4795 and 4796 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				
Gua Musang Estate ^{*b}	Freehold	1,618	Oil palm estate with mill (Approximate age of mill: 33 years)	16,753 ^{*a}
Lot 154 Mukim of Ketil Daerah Gua Musang Kelantan Darul Naim				
Keratong Estate				74,521 ^{*a}
PT 353 ^{*b} 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: 8 and 24 years respectively)	
PT 5117 ^{*c} Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 17.07.2094)	527		
PT 2604 ^{*d} Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 01.10.2056 with an option to extend for 33 years)	3,520		
				<u>113,874</u>

LIST OF PROPERTIES AS AT 31 AUGUST 2004

(a) Net book value as at 31 August 2004 are as follows: -

	<-----Estates----->		Buildings	
	Valuation	Cost	Cost	Total
	RM'000	RM'000	RM'000	RM'000
Jemima & Sungei				
Sendayan Estate	21,666	-	934	22,600
Gua Musang Estate	16,049	-	704	16,753
Keratong Estate	41,008	30,231	3,282	74,521
	<u>78,723</u>	<u>30,231</u>	<u>4,920</u>	<u>113,874</u>

(b) The estates were revalued in 1983. The directors have not adopted a policy of regular revaluations of such estates. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") on adoption of MASB 15 Property, Plant and Equipment, the valuation of these estates has not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation.

(c) Date of acquisition: 17 July 1995

(d) Date of acquisition: 1 October 1990

OTHER INFORMATION

(a) Material Contracts

Other than the related party transactions of a revenue or trading nature with related parties, there were no material contracts entered into by the Company and its subsidiary which involved the directors' and major shareholders' either still subsisting at the end of the financial year ended 31 August 2004 or entered into since the end of the previous financial year.

Related party transactions entered into by the Company during the financial year ended 31 August 2004: -

	RM
Purchase of oil palm produce from Seong Thye Plantations Sdn. Bhd., a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests.	<u>3,807,299</u>
Purchase of oil palm produce from Negri Sembilan Oil Palms Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Gho Bun Tjin, Goh Beng Hwa and Sio Sit Po) have interests.	<u>3,687,311</u>
Management fees paid to Sin Thye Management Sdn. Bhd., an associate in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests.	<u>84,177</u>
Agency fee paid to Tat Lee Commodities Pte. Ltd., a company incorporated in the Republic of Singapore, in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests.	<u>18,000</u>
Purchase of fertilisers from Kai Lee Company, the sole proprietor of whom, Ng Yong Seng, is a person connected to several directors (namely, Goh Eng Chew, Goh Han Teng and Goh Pock Ai)	<u>2,659,045</u>
Purchase of fertilisers from Yew Hoe Chan, a partnership of whom, two of the partners, Gan Eng Heng and Gan Kim Farn, are persons connected to a director, Gan Kim Leng.	<u>3,170,623</u>
Purchase of oil palm produce from Timor Oil Palm Plantation Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests.	<u>462,604</u>

Related party transaction entered into by Double Alliance Sdn Bhd, the wholly owned subsidiary of the Company during the financial year ended 31 August 2004: -

	RM
Secretarial fee paid to Sin Thye Management Sdn. Bhd., an associate in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin) have interests.	<u>1,800</u>

The substantial shareholders referred to above are Tiong Thye Company Berhad, Goh Eng Chew, Gho Lian Chin and Goh Seh Kiat.

Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei and Gho Bun Tjin are deemed interested by virtue of their interests and/or directorships in Tiong Thye Company Berhad and/or the respective companies.

Wong Aun Phui, Goh Beng Hwa and Sio Sit Po are deemed interested by virtue of their interests and/or directorships in the respective companies.

OTHER INFORMATION

- (b) Options under the Chin Teck Plantations Berhad Employee Share Option Scheme (“ESOS”) exercised during the financial year ended 31 August 2004

During the financial year ended 31 August 2004, 923,000 options under the ESOS were exercised at the subscription price of RM3.51 per share.

- (c) Sanctions and /or penalties

No sanctions and/or penalties were imposed on the Company and its subsidiary, Directors or management by relevant authorities during the financial year.

- (d) Non-audit fees

During the financial year ended 31 August 2004, non-audit fees paid or payable to Ernst & Young amounted to RM56,000.

The Company Secretary

Chin Teck Plantations Berhad

107-1 Changkat Tambi Dollah,

Off Jalan Puchong,

55100 Kuala Lumpur

Lee Ah Leong
47 Jalan Rukun 3
Happy Garden
58200 Kuala Lumpur

REGISTERED

3 NOV. 2004

Dear Sir,

I, Lee Ah Leong, a shareholder of the Company, wish to propose and to consider, if thought fit, pass the following ordinary resolution with or without modification as Ordinary Resolution in your Company's forthcoming Annual General Meeting, or fill casual vacancy, as follows:

"That Mr Ng Seet Kow be and is hereby appointed as an Independent Director of the Company with immediate effect."

Profile:

Mr Ng Seet Kow, aged 60+, is a Malaysian. After serving 7 years in the University of Malaya Main Library, he resigned and became an Assistant Accountant and, later, Accountant in the Corporate World in two companies listed in the KL Stock Exchange (now Bursa Malaysia).

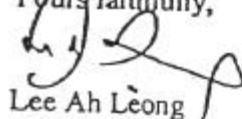
He later started his consultancy practice, providing corporate services as Company Secretary for a number of companies. He was involved in corporate planning, corporate tax matters, budgeting, accounting and auditing. He was a Council Member and auditor of a trade association. He was a Council Member of the Institute of Company Secretaries Malaysia. He is a Managing Director of General Corporate Management Sdn Bhd.

He is a Chartered Secretary by profession. He is a Fellow of the Institute of Chartered Secretaries & Administrators (UK), and a member of MAICSA, an Associate Member of the Malaysian Institute of Taxation, Chartered Member of the Institute of Internal Auditors, Holder of postgraduate Certified Diploma in Accounting and Finance awarded by the Chartered Institute of Certified Accountants (ACCA), Member of the Institute of Marketing Malaysia, a Professional National Accountant of the National Institute of Accountants, Australia, and member of Institute of Commercial and Financial Accountants, which is a member body of the International Federation of Accountants (IFAC), alongside with the Malaysian Institute of Accountants.

He is a Member of the Disciplinary Committee of the Advocates & Solicitors Disciplinary Board under Section 96 of the Legal Profession Act 1976 (amended 1993).

He does not have any family relationship with any substantial shareholders or directors in the company. I personally think that he is a person of integrity and honesty and is qualified for appointment as director. He can make some contribution to enhance shareholder value of the Company.

Yours faithfully,


Lee Ah Leong
Shareholder


cc: CEO, Bursa Malaysia
cc: Mr Ng Seet Kow

NOTICE OF INTENTION FOR NOMINATION TO THE BOARD OF DIRECTORS :

CHIN TECK PLANTATIONS BERHAD

I, the undersigned, a Shareholder/Member of the Company, of No. 47 Jalan Rukun 3, Happy Garden, 58200 Kuala Lumpur, wish to propose and nominate Mr. Ng Seet Kow to the Board of Directors as an Independent Non-Executive Director.

Date: **3 NOV 2004**

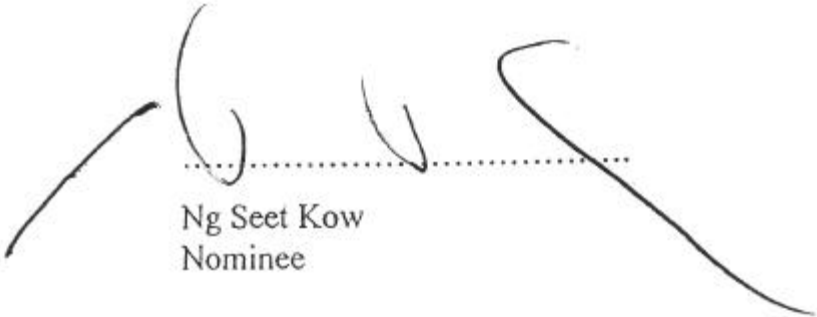

.....
Lee Ah Leong
Shareholder/Member

NOTICE OF CONSENT

I, the undersigned, of No. 1444 Jalan 17/21L, 46400 Petaling Jaya, Selangor, give my consent to the nomination, signifying my candidature for the office as an Independent Non-Executive Director.

Date:

23/11/2004


.....
Ng Seet Kow
Nominee

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

FORM OF PROXY

I / We
of
being a member 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 Sixth Annual General Meeting of the Company to be held at Corus 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 January 2005 at 2.30 pm and at any adjournment thereof.

Ordinary Resolutions		For	Against
1.	To receive and adopt the Directors' Report and the Financial Statements for the financial year ended 31 August 2004 and the Auditors' Report thereon.		
2.	To increase the directors' fees for the financial year ended 31 August 2004 to RM249,000 and to authorise the directors to divide such fees in the proportions and manner to be determined by them.		
3.	To consider the nomination by Lee Ah Leong of Ng Seet Kow as a director of the Company, pursuant to Article 95 of the Articles of Association of the Company.		
	To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company: -		
4.	(i) Gho Lian Chin		
5.	(ii) Goh Yeok Beng		
6.	(iii) Keong Choon Keat		
7.	(i) To re-appoint Mr Goh Eng Chew as director pursuant to Section 129(6) of the Companies Act, 1965		
8.	(ii) To re-appoint Mr Wong Aun Phui as director pursuant to Section 129(6) of the Companies Act, 1965		
9.	(iii) To re-appoint Mr Goh Beng Hwa as director pursuant to Section 129(6) of the Companies Act, 1965		
10.	To re-appoint auditors and authorise the directors to fix their remuneration.		
	Proposed renewal of shareholders' mandate for the Company and its subsidiary to enter into recurrent related party transactions of a revenue or trading nature with: -		
11.	(i) Negri Sembilan Oil Palms Berhad		
12.	(ii) Seong Thye Plantations Sdn Bhd		
13.	(iii) Sin Thye Management Sdn Bhd		
14.	(iv) Tat Lee Commodities Private Limited		
15.	(v) Kai Lee Company		
16.	(vi) Yew Hoe Chan		

(Please indicate with "X" or "✓" 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	
-------------------------	--

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

FORM OF PROXY

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.