

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

**Condensed consolidated statement of profit or loss**  
**For the second financial quarter ended 28 February 2019**

	Second financial quarter		Six months	
	28.02.2019 RM'000	28.02.2018 RM'000 (Restated)	28.02.2019 RM'000	28.02.2018 RM'000 (Restated)
Revenue	29,438	42,191	58,585	84,703
Cost of sales	(12,399)	(19,642)	(26,666)	(35,769)
Gross profit	17,039	22,549	31,919	48,934
Interest income	1,818	1,987	4,239	3,919
Dividend income	91	277	379	940
Other income	36	14,187	646	14,547
Selling expenses	(882)	(927)	(1,722)	(1,909)
Administrative expenses	(6,491)	(6,094)	(11,481)	(11,170)
Other expenses	(1,075)	(3,089)	(365)	(4,235)
Share of results of associates	328	(4,150)	21	(4,086)
Share of results of a joint venture	358	(117)	55	(725)
Profit before tax	11,222	24,623	23,691	46,215
Income tax expense	(2,673)	(3,846)	(5,883)	(9,067)
Profit net of tax	8,549	20,777	17,808	37,148
Earnings per stock unit (sen per stock unit)				
Basic	9.36	22.74	19.49	40.66
Diluted	9.36	22.74	19.49	40.66

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

**Condensed consolidated statement of comprehensive income**  
**For the second financial quarter ended 28 February 2019**

	Second financial quarter		Six months	
	28.02.2019 RM'000	28.02.2018 RM'000 (Restated)	28.02.2019 RM'000	28.02.2018 RM'000 (Restated)
Profit net of tax	8,549	20,777	17,808	37,148
Other comprehensive income/(loss):				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Net loss on fair value changes of investment securities	-	(6,306)	-	(6,444)
Foreign currency translation	3,732	(3,930)	950	(8,103)
Share of other comprehensive loss of an associate in respect of fair value reserve	-	(2)	-	(5)
Total other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	3,732	(10,238)	950	(14,552)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:				
Net gain on fair value changes of investment securities	2,581	-	418	-
Share of other comprehensive income of an associate in respect of fair value reserve	7	-	7	-
Share of other comprehensive income/(loss) of an associate in respect of employee benefits plan reserve	36	-	36	(156)
Share of other comprehensive income of a joint venture in respect of employee benefits plan reserve	3	-	3	-
Total other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	2,627	-	464	(156)
Total other comprehensive income/(loss)	6,359	(10,238)	1,414	(14,708)
Total comprehensive income	14,908	10,539	19,222	22,440

**Chin Teck Plantations Berhad (3250V)**  
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**Condensed consolidated statement of financial position**  
**As at 28 February 2019**

	<b>28.02.2019</b>	<b>31.8.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	119,014	117,835
Investments in associates	149,604	148,484
Investment in a joint venture	14,180	10,622
Investment securities	94,601	74,799
	<u>377,399</u>	<u>351,740</u>
<b>Current assets</b>		
Inventories	7,288	3,079
Consumable biological assets	4,002	4,367
Receivables	14,604	17,925
Income tax recoverable	430	334
Cash and bank balances	291,483	310,302
	<u>317,807</u>	<u>336,007</u>
<b>Total assets</b>	<u>695,206</u>	<u>687,747</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Payables	<u>7,123</u>	<u>10,473</u>
<b>Non-current liability</b>		
Deferred tax liability	<u>22,163</u>	<u>21,440</u>
<b>Total liabilities</b>	<u>29,286</u>	<u>31,913</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	111,017	111,017
Other reserves	6,069	4,969
Retained profits	548,834	539,848
<b>Total equity</b>	<u>665,920</u>	<u>655,834</u>
<b>Total equity and liabilities</b>	<u>695,206</u>	<u>687,747</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>7.29</u>	<u>7.18</u>

Condensed consolidated statement of changes in equity  
For the second financial quarter ended 28 February 2019

	Non-distributable		Distributable		Non-distributable		
	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Retained profits RM'000	Other reserves, total RM'000	Foreign currency translation reserve RM'000	Employee benefits reserve of an associate and a joint venture RM'000	Fair value adjustment reserve RM'000
At 1 September 2017 (Restated)	658,054	111,017	495,798	51,239	-	606	50,633
Profit for the period	37,148	-	37,148	-	-	-	-
Other comprehensive loss	(14,708)	-	-	(14,708)	(8,103)	(156)	(6,449)
Transaction with owners	(9,136)	-	(9,136)	-	-	-	-
Dividends, representing total transactions with owners							
At 28 February 2018 (Restated)	671,358	111,017	523,810	36,531	(8,103)	450	44,184
At 1 September 2018 (Restated)	655,834	111,017	539,848	4,969	(13,153)	476	17,646
Profit for the period	17,808	-	17,808	-	-	-	-
Other comprehensive income	1,414	-	-	1,414	950	39	425
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	314	(314)	-	-	(314)
Transaction with owners	(9,136)	-	(9,136)	-	-	-	-
Dividends, representing total transactions with owners							
At 28 February 2019	665,920	111,017	548,834	6,069	(12,203)	515	17,757

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

**Condensed consolidated statement of cash flows**  
**For the second financial quarter ended 28 February 2019**

	Six months	
	28.02.2019	28.02.2018
	RM'000	RM'000
		(Restated)
<b>Operating activities</b>		
Profit before tax	23,691	46,215
Adjustments for:		
Depreciation for property, plant and equipment	2,837	2,892
Fair value loss of consumable biological assets	365	926
Dividend income	(379)	(940)
Gain on sale of property, plant and equipment	(15)	(13)
Interest income	(4,239)	(3,919)
Net fair value gain on investment securities (transferred from equity on disposal)	-	(14,404)
Property, plant and equipment written off	-	1,363
Share of results of associates	(21)	4,086
Share of results of a joint venture	(55)	725
Unrealised (gain)/loss on foreign exchange	(429)	3,198
Total adjustments	(1,936)	(6,086)
Operating cash flows before changes in working capital	21,755	40,129
Changes in working capital		
(Increase)/decrease in:		
inventories	(4,209)	(4,291)
receivables	3,546	(15,150)
(Decrease)/increase in payables	(3,350)	1,449
Total changes in working capital	(4,013)	(17,992)
Cash flows from operations	17,742	22,137
Taxes paid	(5,256)	(6,221)
Net cash flows generated from operating activities	12,486	15,916
<b>Investing activities</b>		
Changes in deposits with maturity of more than 3 months	(17,657)	(25,588)
Interest received	4,014	4,553
Dividends received from investment securities	343	882
Addition of property, plant and equipment	(4,016)	(6,549)
Additional investment in a joint venture	(3,606)	-
Purchase of investment securities	(22,555)	(42)
Proceeds from sale of property, plant and equipment	15	13
Proceeds from sale of investment securities	3,207	2,334
Net cash flows used in investing activities	(40,255)	(24,397)
<b>Financing activity</b>		
Dividends paid to owners of the Company, representing total cash flows used in financing activity	(9,136)	(9,136)
<b>Net decrease in cash and cash equivalents</b>	(36,905)	(17,617)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	429	(3,198)
<b>Cash and cash equivalents at beginning of period</b>	134,389	108,884
<b>Cash and cash equivalents at end of period</b>	97,913	88,069
Cash and cash equivalents at end of period comprise:		
Cash on hand and at banks	15,942	17,806
Deposits with financial institutions	275,541	242,456
	291,483	260,262
Less: deposits with maturity of more than 3 months	(193,570)	(172,193)
	97,913	88,069

**Notes to the interim financial report - 28 February 2019**

**A Explanatory notes - MFRS 134: Interim Financial Reporting**

**A 1 Basis of preparation**

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report is unaudited and should be read in conjunction with the annual audited financial statements for the financial year ended 31 August 2018.

The interim financial report is prepared under the same accounting policies and methods of computation as compared with the annual financial statements for the financial year ended 31 August 2018, except for the adoption of MFRS Framework and MFRS 9: Financial Instruments as follows:

MFRS Framework

On 1 September 2018, the Group has adopted MFRS Framework and this interim financial report is prepared under the framework, in accordance with MFRS 1: First-time Adoption of MFRS. The effective date of transition to MFRS Framework is 1 September 2017.

As required by MFRS 1, the Group has restated its comparative figures in the interim financial report and effects of the MFRS adjustments to the financial statements of the Group are summarised below:

	Previously reported under FRSs RM'000	MFRSs adjustments RM'000	Restated under MFRS RM'000
<u>Statement of profit or loss</u>			
<u>Second financial quarter ended 28 February 2018</u>			
Cost of sales	(19,517)	(125)	(19,642)
Fair value-loss of consumable biological assets	-	(1,914)	(1,914)
Replanting expenses	(2,015)	2,015	-
Share of results of associates	(2,084)	(2,066)	(4,150)
Share of results of a joint venture	(206)	89	(117)
Income tax expense	(3,963)	117	(3,846)
<u>Six months ended 28 February 2018</u>			
Cost of sales	(37,721)	1,952	(35,769)
Fair value loss of consumable biological assets	-	(926)	(926)
Replanting expenses	(4,169)	4,169	-
Other expenses	(3,201)	(108)	(3,309)
Share of results of associates	(746)	(3,340)	(4,086)
Share of results of a joint venture	(388)	(337)	(725)
Income tax expense	(8,555)	(512)	(9,067)
<u>Statement of comprehensive income</u>			
<u>Second financial quarter ended 28 February 2018</u>			
Foreign currency translation	233	(4,163)	(3,930)
Net loss on fair value changes of investment securities	(6,046)	(260)	(6,306)
<u>Six months ended 28 February 2018</u>			
Foreign currency translation	(7,109)	(994)	(8,103)
Net loss on fair value changes of investment securities	(5,869)	(575)	(6,444)

**Chin Teck Plantations Berhad (3250V)**  
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Notes to the interim financial report - 28 February 2019

**A 1 Basis of preparation (cont'd.)**

MFRS Framework (cont'd.)

	Previously reported under FRSs RM'000	MFRSs adjustments RM'000	Restated under MFRS RM'000
<u>Statement of financial position</u>			
<u>As at 31 August 2018</u>			
<u>Assets</u>			
Property, plant and equipment - bearer plants	-	72,027	72,027
Biological assets	77,043	(77,043)	-
Investments in associates	179,356	(30,872)	148,484
Investment in a joint venture	9,909	713	10,622
Investment securities	70,311	4,488	74,799
Inventories	2,428	651	3,079
Consumable biological assets	-	4,367	4,367
<u>Liabilities</u>			
Deferred tax liabilities	7,479	13,961	21,440
<u>Equity</u>			
Asset revaluation reserve - land and biological assets	15,689	(15,689)	-
Foreign currency translation reserve	(35,294)	22,141	(13,153)
Fair value adjustment reserve	13,158	4,488	17,646
Retained profits	590,417	(50,569)	539,848

(a) Property, plant and equipment (bearer plants)

Prior to transitioning to MFRS Framework, plantation development expenditures consisting of cost incurred on land clearing and upkeep of oil palms are recognised in profit or loss. With the adoption of Amendments to MFRS 141 and MFRS 116, the new planting and replanting expenditures are capitalised under property, plant and equipment and measured at cost less accumulated depreciation.

(b) Consumable biological assets

Biological assets of the Group are fresh fruit bunches prior to harvest. Prior to adoption of MFRS Framework, the fresh fruit bunches are part of the bearer plants and are not recognised separately. With the change under the MFRS Framework, the biological assets are measured at fair value less cost to sell and the changes in fair value less cost to sell are recognised in profit or loss.

(c) Inventories

Cost of inventories of oil palm produce includes cost of consumable biological assets. The Group has previously measured consumable biological assets based on cost of direct materials, direct labour and appropriate production overheads. Upon adoption of MFRS 141 Agriculture, consumable biological assets shall be measured at fair value less costs to sell at the point of harvest. Such measurement is the deemed cost used in measuring oil palm produce.

(d) Investment securities

With the adoption of MFRS 9, equity instrument of the Company that is carried at cost for which it does not has a quoted price in an active market for an identical instrument, the instrument will be measured at fair value at the date of initial application.

The difference between the previous carrying amount at cost and the fair value shall be recognised in opening fair value adjustment reserve at the date of initial application.

**Notes to the interim financial report - 28 February 2019**

**A 1 Basis of preparation (cont'd.)**

MFRS Framework (cont'd.)

(e) Exemption for cumulative translation differences

The Group has elected to recycle the foreign currency translation reserve as at 1 September 2017 to retained earnings.

MFRS 9: Financial Instruments

On 1 September 2018, the Group has adopted MFRS 9: Financial Instruments which is effective for annual periods beginning on or after 1 January 2018. During the financial quarter ended 30 November 2018, the Group reclassified the cumulative net fair value gain previously recognised in other comprehensive income from equity to profit or loss upon disposal of its investment securities with reference to Paragraph 5.7.10 of MFRS 9. However Paragraph B5.7.1 of MFRS 9 states that the amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss, and the cumulative gain or loss may be transferred within equity.

Accordingly, the Group has restated its net fair value gain on sale of investment securities in accordance with Paragraph B5.7.1 of MFRS 9. The restatement is summarised as below:

	Previously reported RM'000	Adjustments RM'000	Restated RM'000
<u>First financial quarter ended 30 November 2018</u>			
<u>Statement of profit or loss</u>			
Other income			
- Net gain on fair value changes of investment securities (transferred to profit or loss upon disposal)	384	(384)	-
Profit before tax	12,853	(384)	12,469
Profit net of tax	9,643	(384)	9,259
Earnings per stock unit attributable to owners of the Company (sen per stock unit)	10.55	(0.42)	10.13
<u>Statement of comprehensive income</u>			
Net loss on fair value changes of investment securities	(2,547)	384	(2,163)
<u>As at 30 November 2018</u>			
<u>Statement of changes in equity</u>			
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	384	384

Standards issued but not yet effective

The Group has not adopted those new standards, amendments to standards and interpretations that have been issued but not yet effective under the MFRS Framework. The directors expect that the adoption of those new standards, amendments to standards and interpretations will not have a material impact on the financial statements in the period of initial application.



**Notes to the interim financial report - 28 February 2019**

**A 2 Seasonal or cyclical nature of operations**

The revenue and earnings are impacted by the production of fresh fruit bunches and volatility of the selling prices of fresh fruit bunches, crude palm oil and palm kernel.

The production of fresh fruit bunches depends on weather conditions, production cycle of the palms and the age of the palms.

The plantation statistics are as follows:

Average planted area for six months ended 28 February 2019:

	Hectares			
	28.02.2019	28.02.2018	28.02.2019	28.02.2018
Mature	9,047			
Replanting and immature	1,902			
	<u>10,949</u>			
	<b>Second financial quarter</b>		<b>Six months</b>	
	<b>28.02.2019</b>	<b>28.02.2018</b>	<b>28.02.2019</b>	<b>28.02.2018</b>
Production (m/t)				
fresh fruit bunches				
Own	58,592	57,555	110,796	116,933
Purchase	12,366	10,619	22,900	24,805
	<u>70,958</u>	<u>68,174</u>	<u>133,695</u>	<u>141,738</u>
Crude palm oil	11,662	11,000	21,731	22,574
Palm kernel	<u>3,274</u>	<u>3,097</u>	<u>5,906</u>	<u>6,110</u>
Extraction Rate				
Crude palm oil	19.10%	17.95%	19.21%	18.24%
Palm kernel	<u>5.36%</u>	<u>5.05%</u>	<u>5.22%</u>	<u>4.94%</u>

**A 3 Items of unusual nature**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period.

**A 4 Changes in estimates of amounts reported**

Other than those described in Note A1, there were no changes in estimates of amounts reported in prior interim periods that have a material effect in the current interim period.

**A 5 Changes in debt and equity securities**

There were no issuances, repurchases and repayments of debts and equity securities for the six months ended 28 February 2019.

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

As at 28 February 2019, the Group did not have any financial liability measured at fair value through profit or loss.

**A 7 Dividends paid**

The amount of dividends paid during the six months ended 28 February 2019:

In respect of financial year ending 31 August 2019:

	<b>RM'000</b>
A first interim single tier dividend of 8 sen per stock unit paid on 31 January 2019	7,309
A special single tier dividend of 2 sen per stock unit paid on 31 January 2019	<u>1,827</u>
	<u>9,136</u>

**Notes to the interim financial report - 28 February 2019**

**A 8 Segment information**

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The Group's principal activities involve predominantly the cultivation of oil palms, production and sale of fresh fruits bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

The segment information are as follows:

	Second financial quarter		Six months	
	28.02.2019 RM'000	28.02.2018 RM'000 (Restated)	28.02.2019 RM'000	28.02.2018 RM'000 (Restated)
Revenue from external customers	29,438	42,191	58,585	84,703
Revenue from major customers	23,012	34,071	47,303	68,379
Reportable segment profit	9,587	13,672	18,553	34,930
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	9,587	13,672	18,553	34,930
Share of results of associates	328	(4,150)	21	(4,086)
Share of results of a joint venture	358	(117)	55	(725)
Interest income	1,818	1,987	4,239	3,919
Dividend income	91	277	379	940
Other income	-	14,126	444	14,435
Other expenses	(960)	(1,172)	-	(3,198)
Profit before tax	11,222	24,623	23,691	46,215

	As at 28.02.2019 RM'000	As at 31.8.2018 RM'000
Reportable segment assets	144,183	140,164
Reportable segment liabilities	7,123	10,473

Reportable segment's assets are reconciled as follows:

	As at 28.02.2019 RM'000	As at 31.8.2018 RM'000
Total assets for reportable segment	144,183	140,164
Investments in associates	149,604	148,484
Investment in a joint venture	14,180	10,622
Investment securities	94,601	74,799
Unallocated assets	292,638	313,678
Total assets	695,206	687,747

Reportable segment's liabilities are reconciled as follows:

	As at 28.02.2019 RM'000	As at 31.8.2018 RM'000
Total liabilities for reportable segment	7,123	10,473
Deferred tax liabilities	22,163	21,440
Total liabilities	29,286	31,913

**Notes to the interim financial report - 28 February 2019**

**A 9 Property, plant and equipment**

There were no significant acquisitions and disposals of property, plant and equipment for the six months ended 28 February 2019.

Capital commitments as at 28 February 2019: -

	<b>RM'000</b>
Approved but not contracted for	15,645
Approved and contracted for	<u>399</u>
	<u><u>16,044</u></u>

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

There were no material events subsequent to the second financial quarter that have not been reflected in the financial statements for the financial quarter ended 28 February 2019.

**A 11 Changes in composition of the Group**

There were no business combinations, acquisition or disposal of subsidiaries and long term investments (other than the purchase and sale of quoted investments), restructurings and discontinued operations.

**A 12 Contingent liabilities and contingent assets**

As at the date of issue of this interim financial report, there were no contingent liabilities and contingent assets that had arisen since 31 August 2018.

**A 13 Related party disclosures**

	<b>Six months 28.02.2019 RM'000</b>
(a) Company in which certain directors and substantial shareholders have interest: Marketing consultancy fee	<u>102</u>
(b) An associate in which certain directors and substantial shareholders have interest: Management fee	<u>1,457</u>

**Notes to the interim financial report - 28 February 2019**

**B Information as required by the Main Market Listing Requirements (Part A of Appendix 9B) of Bursa Malaysia Securities Berhad**

**B 1 Review of performance**

Current quarter versus preceding year corresponding quarter

Revenue in the current financial quarter under review decreased by 30.23% to RM29,438,000 from RM42,191,000 a year ago. The average selling prices of ffb, crude palm oil and palm kernel were lower. The sales volume of crude palm oil was lower, however the sales volume of ffb and palm kernel were higher.

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

Other income was substantially lower mainly due to an amount of RM14,108,000 being net fair value gain transferred to profit or loss upon sale of available-for-sale of investment securities recognised in previous financial quarter.

Overall operating expenses were lower mainly due to an absence of purchase of crude palm oil in current financial quarter under review.

The Group recorded an overall profit in its share of results of associates mainly due to a profit contributed by an associate engaged in property development and a decrease in losses suffered by its investments in oil palm plantations in Indonesia.

As reported previously, the investments in oil palm plantations in Lampung Province, Indonesia encountered a suspension in routine harvesting due to unrest in the villages located in the vicinity of the plantations. The plantations have since commenced harvesting activities and mill operation. Total area accessed increased to approximately 49% of total planted area from 43% as reported previously.

However, as reported previously, harvesting of mature fields in the oil palm plantation of the joint venture located in South Sumatera Province, Indonesia has been delayed due to unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities. In the current financial quarter under review, the Group recorded a profit in its share of result of the joint venture mainly due to gain on foreign currency translation.

Overall, profit net of tax decreased to RM8,549,000 from RM20,777,000 mainly due to the decrease in revenue and other income.

**Notes to the interim financial report - 28 February 2019**

**B Information as required by the Main Market Listing Requirements (Part A of Appendix 9B) of Bursa Malaysia Securities Berhad (cont'd.)**

**B 1 Review of performance (cont'd.)**

Cumulative six months period ended 28 February 2019

Revenue in the current cumulative six months period under review decreased by 30.83% to RM58,585,000 from RM84,703,000 a year ago. The average selling prices of ffb, crude palm oil and palm kernel were lower. The sales volume of crude palm oil and palm kernel were lower, however the sales volume of ffb was higher.

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

Other income was substantially lower mainly due to an amount of RM14,404,000 being net fair value gain transferred to profit or loss upon sale of available-for-sale of investment securities recognised in previous financial quarter.

In accordance with MFRS 9: Financial Instruments ('MFRS 9'), the cumulative net fair value gains in respect of the sale of investment securities of RM314,000 during the six months period under review was transferred within equity, i.e. transferred from fair value adjustment reserve to retained profits. As allowed by the transitional provision of MFRS 9, the Group has elected not to restate the comparatives.

Overall operating expenses were lower mainly due to absence of purchase of crude palm oil and foreign exchange loss in six months period under review.

The Group recorded an overall profit in its share of results of associates mainly due to a profit contributed by an associate engaged in property development and a decrease in losses suffered by its investments in oil palm plantations in Indonesia.

As reported previously, the investments in oil palm plantations in Lampung Province, Indonesia encountered a suspension in routine harvesting due to unrest in the villages located in the vicinity of the plantations. The plantations have since commenced harvesting activities and mill operation. Total area accessed increased to approximately 43% of total planted area from 39% as reported previously.

However, as reported previously, harvesting of mature fields in the oil palm plantation of the joint venture located in South Sumatera Province, Indonesia has been delayed due to unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities. This has resulted in the joint venture suffering losses. In the current six months period under review, the Group recorded a profit in its share of result of the joint venture mainly due to gain on foreign currency translation.

Overall, profit net of tax decreased to RM17,808,000 from RM37,148,000 mainly due to the decrease in revenue and other income.

**Notes to the interim financial report - 28 February 2019**

**B 2 Material change in the profit before tax for the second financial quarter compared with the immediate preceding quarter**

	<b>Second financial quarter 28.02.2019 RM'000</b>	<b>First financial quarter 30.11.2018 RM'000 (Restated)</b>
Revenue	29,438	29,147
Cost of sales	(12,399)	(14,267)
Gross profit	17,039	14,880
Interest income	1,818	2,421
Dividend income	91	288
Other income	36	1,569
Selling expenses	(882)	(840)
Administrative expenses	(6,491)	(4,990)
Other expenses	(1,075)	(249)
Share of results of associates	328	(307)
Share of results of a joint venture	358	(303)
Profit before tax	<u>11,222</u>	<u>12,469</u>

Revenue in the first financial quarter increased marginally by 1% to RM29,438,000 from RM29,147,000 when compared with the immediate preceding financial quarter. The sales volume of ffb, crude palm oil and palm kernel were higher, however the average selling prices of ffb, crude palm oil and palm kernel were lower.

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

Other income was lower mainly due to an absence of gain on foreign currency translation in current financial quarter under review.

Overall operating expenses were higher mainly due to an increase in administrative expenses and loss on foreign currency translation..

The Group recorded an overall profit in its share of results of associates mainly due to a profit contributed by an associate engaged in property development and a decrease in losses suffered by its investments in oil palm plantations in Indonesia.

As reported previously, harvesting of mature fields in the oil palm plantation of the joint venture located in South Sumatera Province, Indonesia has been delayed due to unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities. This has resulted in the joint venture suffering losses. In current six months period under review, the Group recorded a profit in its share of result of the joint venture mainly due to gain on foreign currency translation.

Overall, profit before tax decreased by 10% to RM11,222,000 from RM12,469,000 mainly due to reasons mentioned above.

**B 3 Prospects for financial year ending 31 August 2019**

The average selling prices of crude palm oil are expected to remain weak and this would have a corresponding effect on the financial performance for the financial year ending 31 August 2019.

**B 4 Variance of actual profit from forecast profit and shortfall in profit guarantee**

There were no profit forecasts prepared for public release and profit guarantees provided by the Group.

**Notes to the interim financial report - 28 February 2019**

**B 5 Income tax expense**

	<b>Second financial quarter 28.02.2019 RM'000</b>	<b>Six months 28.02.2019 RM'000</b>
Income tax:		
Current provision	2,559	5,160
Deferred income tax	114	723
	<u>2,673</u>	<u>5,883</u>

The effective tax rate for the second financial quarter ended 28 February 2019 approximated the statutory tax rate. The effective tax rate for the six months period ended 28 February 2019 was marginally higher than the statutory tax rate mainly due to certain expense not deductible for tax purpose.

**B 6 Borrowings and debt securities**

As at 28 February 2019, there were no borrowings and debt securities.

**B 7 Status of corporate proposals**

On 10 April 2006, the Company entered into a conditional joint venture and shareholders agreement with Negri Sembilan Oil Palms Berhad ('NSOP'), Timor Oil Palm Plantation Berhad, a 58.0% owned subsidiary of NSOP, Eng Thye Plantations Berhad, an 83.3% owned subsidiary of NSOP, Seong Thye Plantations Sdn Bhd and Chin Thye Investment Pte Ltd ('Singapore JVSA') to participate in a joint venture project for the development of an oil palm plantation in Indonesia with P.T. Lampung Karya Indah. ('Proposed Joint Venture'), the details of which are set out in the Circular to Shareholders dated 11 May 2006.

The approval of the Shareholders of the Company was obtained at the Extraordinary General Meeting of the Company held on 26 May 2006.

The conditions precedent as set out in the Singapore JVSA have been fulfilled and the necessary approvals required for the subscription of shares in Chin Thye Investment Pte Ltd have been obtained.

During the six months period under review, the Company had subscribed for 1,200,000 shares in Chin Thye Investment Pte Ltd for a total cash consideration of RM3,606,000 as working capital is still required to retain staff for existing operations and for the preparations required to extend harvesting and other works pending assistance in resolution from the relevant authorities.

To-date, the Company had subscribed for 12,860,000 shares in Chin Thye Investment Pte Ltd for a total cash consideration of RM28,785,000.

There were no further subscription of shares since the end of the second financial quarter under review to the date of issue of this interim report.

	<b>28.02.2019 RM'000</b>
Remaining capital and investment outlay	<u>19,209</u>

**B 8 Derivatives financial instruments**

There were no derivatives financial instruments transacted during the six months period ended 28 February 2019.

**B 9 Material litigation**

There were no material litigations as at 31 August 2018 and at the date of issue of this interim financial report.

**Notes to the interim financial report - 28 February 2019**

**B 10 Dividends**

- (i) A first interim single tier dividend of 8 sen per stock unit and a special single tier dividend of 2 sen per stock unit in respect of the financial year ending 31 August 2019 were paid on 31 January 2019.
- (ii) No further interim dividend has been declared in respect of the six months ended 28 February 2019.
- (iii) The total dividends for the current financial year ending 31 August 2019:-

<u>Type of dividend</u>	sen per stock unit
First interim, single tier	8.00
Special, single tier	2.00
	<u>10.00</u>

- (iv) The total dividends for the previous financial year ended 31 August 2018:-

<u>Type of dividend</u>	sen per stock unit
First interim, single tier	10.00
Second interim, single tier	10.00
Special, single tier	10.00
	<u>30.00</u>

**B 11 Earnings per stock unit**

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

	<b>Second financial quarter</b>		<b>Six months</b>	
	<b>28.02.2019</b>	<b>28.02.2018 (Restated)</b>	<b>28.02.2019</b>	<b>28.02.2018 (Restated)</b>
Profit attributable to owners of the Company (RM'000)	8,549	20,777	17,808	37,148
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	9.36	22.74	19.49	40.66
Diluted	9.36	22.74	19.49	40.66

The diluted earnings per stock unit is similar to basic earnings per stock unit as there is no potential dilutive ordinary stock units outstanding as at end of the financial quarter.



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

**Notes to the interim financial report - 28 February 2019**

**B 12 Notes to condensed statement of comprehensive income**

	<b>Second financial quarter 28.02.2019 RM'000</b>	<b>Six months 28.02.2019 RM'000</b>
Interest income	1,818	4,239
Other income including investment income	91	379
Depreciation	(1,422)	(2,837)
Gain on disposal of property, plant and equipment	-	15
Unrealised foreign exchange (loss)/gain	(959)	429
	<hr/>	<hr/>

**B 13 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 August 2018 was not qualified.

By Order of the Board

Gan Kok Tiong  
Company Secretary  
29 April 2019