

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

Condensed consolidated statement of profit or loss
For the fourth financial quarter ended 31 August 2019

	Fourth financial quarter		Twelve months	
	31.08.2019 RM'000	31.08.2018 RM'000 (Restated)	31.08.2019 RM'000	31.08.2018 RM'000 (Restated)
Revenue	30,055	25,578	122,120	149,924
Cost of sales	(16,587)	(15,207)	(61,968)	(75,133)
Gross profit	13,468	10,371	60,152	74,791
Interest income	2,617	2,528	9,904	8,694
Dividend income	2,046	1,773	2,926	3,108
Other income	245	6,456	1,386	36,254
Selling expenses	(1,723)	(704)	(4,514)	(3,730)
Administrative expenses	(6,016)	(5,302)	(23,006)	(21,828)
Other expenses	(149)	(16)	(784)	(3,260)
Share of results of associates	(1,567)	773	(2,864)	(8,687)
Share of results of a joint venture	(793)	(897)	(979)	(1,219)
Profit before tax	8,128	14,982	42,221	84,123
Income tax expense	(1,604)	(1,322)	(10,118)	(12,664)
Profit net of tax	6,524	13,660	32,103	71,459
Earnings per stock unit (sen per stock unit)				
Basic	7.14	14.95	35.14	78.21
Diluted	7.14	14.95	35.14	78.21

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

Condensed consolidated statement of comprehensive income
For the fourth financial quarter ended 31 August 2019

	Fourth financial quarter		Twelve months	
	31.08.2019	31.08.2018	31.08.2019	31.08.2018
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Profit net of tax	6,524	13,660	32,103	71,459
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	-	(6,938)	-	(32,244)
Foreign currency translation	7,305	(4,893)	7,643	(13,153)
Share of other comprehensive income/(loss) of an associate in respect of fair value reserve	-	1	-	(13)
Total other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	7,305	(11,830)	7,643	(45,410)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:				
Net loss on fair value changes of investment securities	(1,566)	-	(4,475)	-
Share of other comprehensive income of an associate in respect of fair value reserve	4	-	10	-
Share of other comprehensive income/(loss) of an associate in respect of employee benefits plan reserve	-	26	119	(130)
Share of other comprehensive income of a joint venture in respect of employee benefits plan reserve	-	-	3	-
Total other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(1,562)	26	(4,343)	(130)
Total other comprehensive income/(loss)	5,743	(11,804)	3,300	(45,540)
Total comprehensive income	12,267	1,856	35,403	25,919

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

Condensed consolidated statement of financial position
As at 31 August 2019

	31.08.2019	31.8.2018	1.9.2017
	RM'000	RM'000	RM'000
		(Restated)	(Restated)
Assets			
Non-current assets			
Property, plant and equipment	121,109	117,835	112,536
Investments in associates	156,755	148,484	169,393
Investment in a joint venture	13,809	10,622	12,913
Investment securities	91,891	70,311	116,005
	<u>383,564</u>	<u>347,252</u>	<u>410,847</u>
Current assets			
Inventories	6,438	3,079	4,834
Consumable biological assets	3,585	4,367	5,823
Receivables	20,081	17,925	10,994
Income tax recoverable	803	334	-
Cash and bank balances	291,433	310,302	255,489
	<u>322,340</u>	<u>336,007</u>	<u>277,140</u>
Total assets	<u>705,904</u>	<u>683,259</u>	<u>687,987</u>
Equity and liabilities			
Current liabilities			
Payables	11,028	10,473	12,657
Income tax payable	-	-	2,118
	<u>11,028</u>	<u>10,473</u>	<u>14,775</u>
Non-current liability			
Deferred tax liability	22,254	21,440	20,377
Total liabilities	<u>33,282</u>	<u>31,913</u>	<u>35,152</u>
Equity attributable to owners of the Company			
Share capital	111,017	111,017	111,017
Other reserves	7,420	481	46,021
Retained profits	554,185	539,848	495,797
Total equity	<u>672,622</u>	<u>651,346</u>	<u>652,835</u>
Total equity and liabilities	<u>705,904</u>	<u>683,259</u>	<u>687,987</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>7.36</u>	<u>7.13</u>	<u>7.15</u>

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Condensed consolidated statement of changes in equity
For the fourth financial quarter ended 31 August 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)	652,835	111,017	495,797	46,021	-	606	45,415
Profit for the period	71,459	-	71,459	-	-	-	-
Other comprehensive loss	(45,540)	-	-	(45,540)	(13,153)	(130)	(32,257)
Transaction with owners	(27,408)	-	(27,408)	-	-	-	-
Dividends, representing total transactions with owners	651,346	111,017	539,848	481	(13,153)	476	13,158
At 31 August 2018 (Restated)	651,346	111,017	539,848	481	(13,153)	476	13,158
Effect of MFRS 9 adoption	4,488	-	-	4,488	-	-	4,488
	655,834	111,017	539,848	4,969	(13,153)	476	17,646
Profit for the period	32,103	-	32,103	-	-	-	-
Other comprehensive income/(loss)	3,300	-	-	3,300	7,643	122	(4,465)
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	849	(849)	-	-	(849)
Effect of change in tax rate on revaluation surplus previously transferred to retained profits	(343)	-	(343)	-	-	-	-
Transaction with owners	(18,272)	-	(18,272)	-	-	-	-
Dividends, representing total transactions with owners	672,622	111,017	554,185	7,420	(5,510)	598	12,332
At 31 August 2019							

Chin Teck Plantations Berhad (3250V)
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Condensed consolidated statement of cash flows
For the fourth financial quarter ended 31 August 2019

	Twelve months	
	31.08.2019	31.08.2018
	RM'000	RM'000
		(Restated)
Operating activities		
Profit before tax	42,221	84,123
Adjustments for:		
Depreciation for property, plant and equipment	5,914	5,765
Fair value loss of consumable biological assets	782	1,456
Dividend income	(2,926)	(3,108)
Gain on sale of property, plant and equipment	(15)	(55)
Interest income	(9,904)	(8,694)
Net fair value gain on investment securities (transferred from equity on disposal)	-	(35,826)
Property, plant and equipment written off	2	123
Share of results of associates	2,864	8,687
Share of results of a joint venture	979	1,219
Unrealised (gain)/loss on foreign exchange	(905)	1,678
Total adjustments	(3,209)	(28,755)
Operating cash flows before changes in working capital	39,012	55,368
Changes in working capital (Increase)/decrease in:		
inventories	(3,359)	1,755
receivables	2,189	(7,320)
Increase/(decrease) in payables	555	(2,184)
Total changes in working capital	(615)	(7,749)
Cash flows from operations	38,397	47,619
Taxes paid, net of tax refund	(10,116)	(14,053)
Net cash flows generated from operating activities	28,281	33,566
Investing activities		
Changes in deposits with maturity of more than 3 months	(26,078)	(29,308)
Interest received	9,639	9,081
Dividends received from investment securities	2,832	3,032
Addition of property, plant and equipment	(9,190)	(11,188)
Additional investment in a joint venture	(3,606)	-
Additional investment in an associate	(8,000)	-
Purchase of investment securities	(27,184)	(9,601)
Proceeds from sale of property, plant and equipment	15	55
Proceeds from sale of investment securities	5,711	58,954
Net cash flows (used in)/generated from investing activities	(55,861)	21,025
Financing activity		
Dividends paid to owners of the Company, representing total cash flows used in financing activity	(18,272)	(27,408)
Net (decrease)/increase in cash and cash equivalents	(45,852)	27,183
Effects of exchange rate changes on cash and cash equivalents	905	(1,678)
Cash and cash equivalents at beginning of period	134,389	108,884
Cash and cash equivalents at end of period	89,442	134,389
Cash and cash equivalents at end of period comprise:		
Cash on hand and at banks	19,844	20,248
Deposits with financial institutions	271,589	290,054
	291,433	310,302
Less: deposits with maturity of more than 3 months	(201,991)	(175,913)
	89,442	134,389

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Notes to the interim financial report - 31 August 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>Fourth financial quarter ended 31 August 2018</u>			
Cost of sales	(14,871)	(336)	(15,207)
Replanting expenses	(2,055)	2,055	-
Other expenses	-	(16)	(16)
Share of results of associates	580	193	773
Share of results of a joint venture	(395)	(502)	(897)
Income tax expense	(596)	(726)	(1,322)
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<u>Twelve months ended 31 August 2018</u>			
Cost of sales	(72,000)	(3,133)	(75,133)
Replanting expenses	(8,366)	8,366	-
Other expenses	(1,681)	(1,579)	(3,260)
Share of results of associates	(5,416)	(3,271)	(8,687)
Share of results of a joint venture	(1,250)	31	(1,219)
Income tax expense	(11,559)	(1,105)	(12,664)
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<u>Statement of comprehensive income</u>			
<u>Fourth financial quarter ended 31 August 2018</u>			
Foreign currency translation	(5,613)	720	(4,893)
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<u>Twelve months ended 31 August 2018</u>			
Foreign currency translation	(13,241)	88	(13,153)
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Notes to the interim financial report - 31 August 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	45,808	72,027	117,835
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
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)
Retained profits	590,417	(50,569)	539,848

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

Prior to transitioning to MFRS Framework, plantation development expenditures on replanting 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

Prior to adoption of MFRS Framework, the fresh fruit bunches prior to harvest are part of the bearer plants and are not recognised separately. With the change under the MFRS Framework, these 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 harvested consumable biological assets. The Group has previously measured inventories based on cost of direct materials, direct labour and appropriate production overheads. Upon adoption of MFRS 141 Agriculture, harvested 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) Exemption for cumulative translation differences

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

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Notes to the interim financial report - 31 August 2019

A 1 Basis of preparation (cont'd.)

MFRS 9: Financial Instruments

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, which is 1 September 2018. MFRS 9 is applied prospectively with no restatement to comparative information, which continues to be reported under MFRS 139.

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.

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.

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 twelve months ended 31 August 2019:

	Hectares
Mature	9,380
Replanting and immature	1,574
	10,954

	Fourth financial quarter		Twelve months	
	31.08.2019	31.08.2018	31.08.2019	31.08.2018
<u>Production (m/t)</u>				
fresh fruit bunches				
- Own	55,840	42,153	232,519	205,627
- Purchase	11,032	6,171	45,784	42,890
	66,872	48,324	278,303	248,517
Crude palm oil	10,759	7,585	44,982	39,428
Palm kernel	2,734	1,942	12,118	10,675
<u>Extraction Rate</u>				
Crude palm oil	19.49%	19.11%	19.10%	18.62%
Palm kernel	4.95%	4.89%	5.15%	5.04%

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Notes to the interim financial report - 31 August 2019

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 twelve months ended 31 August 2019.

A 6 Fair value changes of financial liabilities

As at 31 August 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 twelve months ended 31 August 2019:

In respect of financial year ended 31 August 2019:

	RM'000
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	1,827
A second interim single tier dividend of 8 sen per stock unit paid on 30 August 2019	7,309
A special single tier dividend of 2 sen per stock unit paid on 30 August 2019	1,827
	<u>18,272</u>

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Notes to the interim financial report - 31 August 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:

	Fourth financial quarter		Twelve months	
	31.08.2019 RM'000	31.08.2018 RM'000 (Restated)	31.08.2019 RM'000	31.08.2018 RM'000 (Restated)
Revenue from external customers	30,055	25,578	122,120	149,924
Revenue from major customers	25,298	19,124	99,335	117,201
Reportable segment profit	5,972	5,814	32,314	48,025
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	5,972	5,814	32,314	48,025
Share of results of associates	(1,567)	773	(2,864)	(8,687)
Share of results of a joint venture	(793)	(897)	(979)	(1,219)
Interest income	2,617	2,528	9,904	8,694
Dividend income	2,046	1,773	2,926	3,108
Other income	-	4,991	920	35,880
Other expenses	(147)	-	-	(1,678)
Profit before tax	8,128	14,982	42,221	84,123

	As at 31.08.2019 RM'000	As at 31.8.2018 RM'000
Reportable segment assets	146,185	140,164
Reportable segment liabilities	11,028	10,473

Reportable segment's assets are reconciled as follows:

	As at 31.08.2019 RM'000	As at 31.8.2018 RM'000
Total assets for reportable segment	146,185	140,164
Investments in associates	156,755	148,484
Investment in a joint venture	13,809	10,622
Investment securities	91,891	70,311
Unallocated assets	297,264	313,678
Total assets	705,904	683,259

Reportable segment's liabilities are reconciled as follows:

	As at 31.08.2019 RM'000	As at 31.8.2018 RM'000
Total liabilities for reportable segment	11,028	10,473
Deferred tax liabilities	22,254	21,440
Total liabilities	33,282	31,913

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Notes to the interim financial report - 31 August 2019

A 9 Property, plant and equipment

Other than the addition of bearer plants of RM5,743,000, there were no significant acquisitions and disposals of property, plant and equipment for the twelve months ended 31 August 2019.

Capital commitments as at 31 August 2019: -

	RM'000
Approved but not contracted for	16,410
Approved and contracted for	224
	<u>16,634</u>

A 10 Material events subsequent to fourth financial quarter

There were no material events subsequent to the fourth financial quarter that have not been reflected in the financial statements for the financial quarter ended 31 August 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

	Twelve months 31.08.2019 RM'000
(a) Company in which certain directors and substantial shareholders have interest:	
Sale of oil palm produce	899
Marketing consultancy fee	205
Seedlings cultivation cost	74
	<u>1,178</u>
(b) An associate in which certain directors and substantial shareholders have interest:	
Management fee	2,930
	<u>2,930</u>
	As at 31.08.2019 RM'000
(c) Included in receivables is an amount due from: -	
An associate in which certain directors and substantial shareholders have interest	<u>3</u>

Notes to the interim financial report - 31 August 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 increased by 17.5% to RM30,055,000 from RM25,578,000. 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 substantially lower mainly due to an amount of RM3,972,000 being net fair value gain transferred to profit or loss upon sale of available-for-sale of investment securities recognised in preceding year corresponding quarter, an absence of gain on foreign currency translation and a lower amount of fair value gain in consumable biological assets in current financial quarter under review.

In accordance with MFRS 9: Financial Instruments ('MFRS 9'), the cumulative net fair value gains in respect of the sale of investment securities of RM415,000 during the current financial quarter 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 higher mainly due to a higher opening inventories and an increase in purchase of ffb in current financial quarter under review.

Share of results of associates reversed from an overall profit to an overall loss mainly due to an increase in losses incurred by the 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 53% 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. This has resulted in the joint venture incurring losses.

Overall, profit net of tax decreased by 52.24% to RM6,524,000 from RM13,660,000 mainly due to the reasons mentioned above.

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Notes to the interim financial report - 31 August 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 twelve months period ended 31 August 2019

Revenue in the current cumulative twelve months period under review decreased by 18.55% to RM122,120,000 from RM149,924,000 a year ago. The average selling prices of ffb, crude palm oil and palm kernel were lower, however the sales volume of ffb, crude palm oil 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 RM35,826,000 being net fair value gain transferred to profit or loss upon sale of available-for-sale of investment securities recognised in preceding year corresponding cumulative twelve months period.

In accordance with MFRS 9: Financial Instruments ('MFRS 9'), the cumulative net fair value gains in respect of the sale of investment securities of RM849,000 during the twelve 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 decrease in the purchase of ffb and absence of purchase of crude palm oil in twelve months period under review.

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

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 53% 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. This has resulted in the joint venture incurring losses.

Overall, profit net of tax decreased by 55.07% to RM32,103,000 from RM71,459,000 mainly due to the decrease in revenue and other income.

Notes to the interim financial report - 31 August 2019

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

	Fourth quarter 31.08.2019 RM'000	Third financial quarter 31.05.2019 RM'000
Revenue	30,055	33,480
Cost of sales	(16,587)	(18,715)
Gross profit	13,468	14,765
Interest income	2,617	3,048
Dividend income	2,046	501
Other income	245	714
Selling expenses	(1,723)	(1,069)
Administrative expenses	(6,016)	(5,509)
Other expenses	(149)	(489)
Share of results of associates	(1,567)	(1,318)
Share of results of a joint venture	(793)	(241)
Profit before tax	<u>8,128</u>	<u>10,402</u>

Revenue in the fourth financial quarter decreased by 10.23% to RM30,055,000 from RM33,480,000 when compared with the immediate preceding financial quarter. The average selling prices of crude palm oil and palm kernel were lower, however the average selling prices of ffb was marginally higher. 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 lower mainly due to an absence of gain on foreign currency translation in current financial quarter under review.

Overall operating expenses were lower mainly due to a decrease in fertiliser expense as a result of less active application of fertilisers in the current financial quarter under review and a decrease in the production of ffb.

The Group incurred an overall loss from its share of results of associates due to losses incurred 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 incurring losses.

Overall, profit before tax decreased by 21.86% to RM8,128,000 from RM10,402,000 mainly due to reasons mentioned above.

B 3 Prospects for financial year ending 31 August 2020

The average selling prices of crude palm oil for financial year 2020 are expected to improve when compared with financial year 2019. Barring unforeseen circumstances, this would have a corresponding effect on the plantation profit for the financial year ending 31 August 2020.

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.

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B 5 Income tax expense

	Fourth financial quarter 31.08.2019 RM'000	Twelve months 31.08.2019 RM'000
Income tax:		
Current provision	1,945	9,602
Underprovision in prior year	-	45
	<hr/> 1,945	<hr/> 9,647
Deferred income tax	(341)	471
	<hr/> 1,604	<hr/> 10,118

The effective tax rate for the fourth financial quarter ended 31 August 2019 was lower than the statutory tax rate mainly due to certain income not assessable for tax purpose and the recognition of deferred tax asset. The effective tax rate for the twelve months period ended 31 August 2019 approximated the statutory tax rate.

B 6 Borrowings and debt securities

As at 31 August 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 current twelve months period under review, the Company further subscribed 1,200,000 shares in Chin Thye Investment Pte Ltd for a total cash consideration of RM3,606,000.

As at 31 August 2019, the Company had subscribed 12,860,000 shares in Chin Thye Investment Pte Ltd for a total cash consideration of RM31,191,000.

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

	31.08.2019 RM'000
Remaining capital and investment outlay	<hr/> 19,209

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the twelve months period ended 31 August 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.

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Notes to the interim financial report - 31 August 2019

B 10 Dividends

- (i) A first interim single tier dividend of 8 sen per stock unit, a second interim single tier dividend of 8 sen per stock unit and special single tier dividends of 4 sen per stock unit in respect of the financial year ended 31 August 2019 were paid during the financial year.
- (ii) In view of the payment of the interim and special dividends, the directors do not recommend a final dividend in respect of the financial year ended 31 August 2019.
- (iii) The total dividends for the current financial year ended 31 August 2019:-

<u>Type of dividend</u>	sen per stock unit
First interim, single tier	8.00
Second interim, single tier	8.00
Special, single tier	4.00
	<u>20.00</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: -

	<u>Fourth financial quarter</u>		<u>Twelve months</u>	
	<u>31.08.2019</u>	<u>31.08.2018</u> (Restated)	<u>31.08.2019</u>	<u>31.08.2018</u> (Restated)
Profit attributable to owners of the Company (RM'000)	6,524	13,660	32,103	71,459
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	7.14	14.95	35.14	78.21
Diluted	7.14	14.95	35.14	78.21

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

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Notes to the interim financial report - 31 August 2019

B 12 Notes to condensed statement of comprehensive income

	Fourth financial quarter 31.08.2019 RM'000	Twelve months 31.08.2019 RM'000
Interest income	2,617	9,904
Other income including investment income	2,046	2,926
Interest expense	-	-
Depreciation	(1,564)	(5,914)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(loss) on disposal of unquoted investments	-	-
Gain on disposal of property, plant and equipment	-	15
Impairment loss on investment in a joint venture	-	-
Net fair value gain on investment securities (transfer of fair value adjustment reserve to retained profits upon disposal)	415	849
Foreign exchange (loss)/gain	(147)	905
Gain/(loss) on derivatives	-	-
Other material items	-	-

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
31 October 2019