

Chin Teck Plantations Berhad 195801000113 (3250-V)
(Incorporated in Malaysia)

Condensed consolidated statement of profit or loss
For the first financial quarter ended 30 November 2020

	First financial quarter		Three months	
	30.11.2020 RM'000	30.11.2019 RM'000	30.11.2020 RM'000	30.11.2019 RM'000
Revenue	45,406	33,237	45,406	33,237
Cost of sales	(21,972)	(20,770)	(21,972)	(20,770)
Gross profit	<u>23,434</u>	<u>12,467</u>	<u>23,434</u>	<u>12,467</u>
Other items of income				
Interest income	2,236	2,255	2,236	2,255
Dividend income	433	331	433	331
Other income	540	903	540	903
Other items of expenses				
Selling expenses	(1,104)	(1,088)	(1,104)	(1,088)
Administrative expenses	(5,397)	(5,175)	(5,397)	(5,175)
Other expenses	(1,314)	(475)	(1,314)	(475)
Share of results of an associate and joint ventures	<u>1,211</u>	<u>720</u>	<u>1,211</u>	<u>720</u>
Profit before tax	<u>20,039</u>	<u>9,938</u>	<u>20,039</u>	<u>9,938</u>
Income tax expense	(4,268)	(2,127)	(4,268)	(2,127)
Profit net of tax	<u>15,771</u>	<u>7,811</u>	<u>15,771</u>	<u>7,811</u>
Earnings per stock unit attributable to owners of the Company (sen per stock unit)				
Basic	17.26	8.55	17.26	8.55
Diluted	<u>17.26</u>	<u>8.55</u>	<u>17.26</u>	<u>8.55</u>

Chin Teck Plantations Berhad 195801000113 (3250-V)
(Incorporated in Malaysia)

Condensed consolidated statement of comprehensive income
For the first financial quarter ended 30 November 2020

	First financial quarter		Three months	
	30.11.2020 RM'000	30.11.2019 RM'000	30.11.2020 RM'000	30.11.2019 RM'000
Profit net of tax	15,771	7,811	15,771	7,811
Other comprehensive income/(loss):				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	1,964	(824)	1,964	(824)
Net gain on fair value changes of investment securities	100	-	100	-
- Transfer to profit or loss upon disposal	1	-	1	-
- Net gain on fair value changes of of investment securities	99	-	99	-
Total other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	2,064	(824)	2,064	(824)
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	5,348	3,229	5,348	3,229
Share of other comprehensive (loss)/income of joint ventures in respect of fair value adjustment reserve	(6)	7	(6)	7
Total other comprehensive income that will not be reclassified to profit or loss in subsequent periods	5,342	3,236	5,342	3,236
Total other comprehensive income	7,406	2,412	7,406	2,412
Total comprehensive income	23,177	10,223	23,177	10,223

Chin Teck Plantations Berhad 195801000113 (3250-V)
(Incorporated in Malaysia)

Condensed consolidated statement of financial position
As at 30 November 2020

	30.11.2020	31.8.2020
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	120,974	121,129
Investments in an associate and joint ventures	168,442	169,377
Investment securities	80,377	74,185
	<u>369,793</u>	<u>364,691</u>
Current assets		
Inventories	3,234	4,171
Consumable biological assets	6,233	6,993
Receivables	14,970	18,107
Income tax recoverable	4	-
Cash and bank balances	350,340	325,148
	<u>374,781</u>	<u>354,419</u>
Total assets	<u>744,574</u>	<u>719,110</u>
Current liabilities		
Payables	15,181	14,465
Income tax payable	2,702	1,157
	<u>17,883</u>	<u>15,622</u>
Non-current liabilities		
Deferred tax liabilities	<u>23,363</u>	<u>23,337</u>
Total liabilities	<u>41,246</u>	<u>38,959</u>
Equity attributable to owners of the Company		
Share capital	111,017	111,017
Other reserves	(4,202)	(11,608)
Retained profits	596,513	580,742
Total equity	<u>703,328</u>	<u>680,151</u>
Total equity and liabilities	<u>744,574</u>	<u>719,110</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>7.70</u>	<u>7.44</u>

Chin Teck Plantations Berhad 195801000113 (3250-V)
(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity
For the first financial quarter ended 30 November 2020

	Non-distributable		Distributable	
	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Other reserves, total RM'000	Retained profits RM'000
Opening balance at 1 September 2019	672,622	111,017	7,420	554,185
Profit for the period	7,811	-	-	7,811
Other comprehensive income	2,412	-	2,412	-
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	(46)	46
Closing balance at 30 November 2019	682,845	111,017	9,786	562,042
Opening balance at 1 September 2020	680,151	111,017	(11,608)	580,742
Profit for the period	15,771	-	-	15,771
Other comprehensive income	7,406	-	7,406	-
Closing balance at 30 November 2020	703,328	111,017	(4,202)	596,513

Chin Teck Plantations Berhad 195801000113 (3250-V)
(Incorporated in Malaysia)

Condensed consolidated statement of cash flows
For the first financial quarter ended 30 November 2020

	Three months	
	30.11.2020	30.11.2019
	RM'000	RM'000
Operating activities		
Profit before tax	20,039	9,938
Adjustments for:		
Amortisation of right-of-use assets	79	79
Depreciation for property, plant and equipment	1,588	1,500
Dividend income	(433)	(331)
Fair value loss on consumable biological assets	760	475
Interest income	(2,236)	(2,255)
Net fair value loss on investment securities (transfer to profit or loss upon disposal)	1	-
Property, plant and equipment written off	8	-
Share of results of an associate and joint ventures	(1,211)	(720)
Unrealised loss/(gain) on foreign exchange	544	(502)
Total adjustments	(900)	(1,754)
Operating cash flows before changes in working capital	19,139	8,184
Changes in working capital		
Decrease in inventories	937	3,535
Decrease in receivables	3,604	371
Increase/(decrease) in payables	716	(954)
Total changes in working capital	5,257	2,952
Cash flows from operations	24,396	11,136
Income taxes paid	(2,701)	(2,243)
Net cash flows generated from operating activities	21,695	8,893
Investing activities		
Changes in deposits with maturity of more than 3 months	13,737	4,264
Dividend received from:		
- an associate	4,104	4,104
- investment securities	433	316
Interest received	1,769	2,445
Proceeds from sale of investment securities	2,275	90
Purchase of:		
- investment securities	(3,020)	(2,349)
- property, plant and equipment	(1,520)	(1,441)
Net cash flows generated from investing activities	17,778	7,429
Net increase in cash and cash equivalents	39,473	16,322
Effects of exchange rate changes on cash and cash equivalents	(544)	502
Cash and cash equivalents at 1 September 2020/2019	116,688	89,442
Cash and cash equivalents at 30 November	155,617	106,266
Cash and cash equivalents at 30 November comprise:		
Cash on hand and at banks	54,996	19,893
Deposits with financial institutions	295,344	284,100
	350,340	303,993
Less: deposits with maturity of more than 3 months	(194,723)	(197,727)
	155,617	106,266

Notes to the interim financial report - 30 November 2020

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 2020.

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 2020, except for the adoption of those new standards, amendments to standards and interpretations that are issued and effective for annual periods beginning on or after 1 January 2020. Adoption of those standards, amendments to standards and interpretations did not have any effects on the financial performance or the financial position of the Group.

The Group has not adopted those new standards, amendments to standards and interpretations that have been issued but not yet effective. The directors expect that the adoption of those new standards, amendments to standards and interpretations would not have any 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 ("ffb") and volatility of the selling prices of ffb, crude palm oil ("CPO") and palm kernel ("PK").

The production of ffb 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 three months ended 30 November 2020:

	Hectares			
Mature	10,197			
Replanting and immature	766			
	<u>10,963</u>			
	First financial quarter		Three months	
	30.11.2020	30.11.2019	30.11.2020	30.11.2019
Production ffb	Tonnes	Tonnes	Tonnes	Tonnes
Own estates	54,973	48,211	54,973	48,211
Purchase	12,931	12,151	12,931	12,151
	<u>67,904</u>	<u>60,362</u>	<u>67,904</u>	<u>60,362</u>
CPO	11,377	10,264	11,377	10,264
PK	<u>2,772</u>	<u>2,390</u>	<u>2,772</u>	<u>2,390</u>
Extraction rate				
CPO	19.86%	20.06%	19.86%	20.06%
PK	<u>4.84%</u>	<u>4.67%</u>	<u>4.84%</u>	<u>4.67%</u>

Notes to the interim financial report - 30 November 2020

A 2 Seasonal or cyclical nature of operations (cont'd.)

	First financial quarter		Three months	
	30.11.2020	30.11.2019	30.11.2020	30.11.2019
Average selling prices	RM per tonne	RM per tonne	RM per tonne	RM per tonne
ffb	641	446	641	446
CPO	2,878	2,178	2,878	2,178
PK	1,660	1,284	1,660	1,284

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.

COVID-19

The unprecedented COVID-19 pandemic has severely impacted the global economy. In Malaysia, to contain the spread of COVID-19, the Government imposed movement control measures but enabled industries providing essential services including the oil palm industry to operate provided they employ risk mitigation measures.

The Group has assessed that it has not been significantly affected by the COVID-19 pandemic for the financial quarter ended 30 November 2020. As at the date of authorisation of the financial statements, the scale and duration of the economic uncertainties arising from the COVID-19 pandemic, could not be reasonably estimated. The Group is closely monitoring the evolving situation of the COVID-19 pandemic and its related financial effects, if any, on the financial statements of the Group will be reflected in the annual financial statements for the financial year ending 31 August 2021.

A 4 Changes in estimates of amounts reported

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 three months ended 30 November 2020.

A 6 Fair value changes of financial liabilities

As at 30 November 2020, the Group did not have any financial liability measured at fair value through profit or loss.

A 7 Dividends paid

No dividends were paid during the three months ended 30 November 2020.

Notes to the interim financial report - 30 November 2020

A 8 Segment information

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the internal reporting of the Group in order to assess performance and allocation of resources. The principal activities of the Group are the cultivation of oil palms, production and sale of ffb, CPO and PK and is wholly carried out in Malaysia.

The segment information are as follows:

	First financial quarter		Three months	
	30.11.2020	30.11.2019	30.11.2020	30.11.2019
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	45,406	33,237	45,406	33,237
Revenue from major customers	35,477	20,622	35,477	20,622
Amortisation of right-of-use assets	79	79	79	79
Depreciation of property, plant and equipment	1,588	1,500	1,588	1,500
Reportable segment profit	<u>16,702</u>	<u>6,277</u>	<u>16,702</u>	<u>6,277</u>
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	16,702	6,277	16,702	6,277
Share of results of an associate and joint ventures	1,211	720	1,211	720
Interest income	2,236	2,255	2,236	2,255
Dividend income	433	331	433	331
Other income	2	502	2	502
Other expenses	(545)	(147)	(545)	(147)
Profit before tax	<u>20,039</u>	<u>9,938</u>	<u>20,039</u>	<u>9,938</u>
			As at	As at
			30.11.2020	31.8.2020
			RM'000	RM'000
Reportable segment assets			153,505	154,060
Reportable segment liabilities			<u>15,181</u>	<u>14,465</u>
Reportable segment assets are reconciled as follows:				
Total assets for reportable segment			153,505	154,060
Investments in an associate and joint ventures			168,442	169,377
Investment securities			80,377	74,185
Unallocated assets			<u>342,250</u>	<u>321,488</u>
Total assets			<u>744,574</u>	<u>719,110</u>
Reportable segment liabilities are reconciled as follows:				
Total liabilities for reportable segment			15,181	14,465
Income tax payable			2,702	1,157
Deferred tax liabilities			<u>23,363</u>	<u>23,337</u>
Total liabilities			<u>41,246</u>	<u>38,959</u>

Notes to the interim financial report - 30 November 2020

A 9 Property, plant and equipment

Other than the addition of bearer plants of RM970,000, there were no significant acquisitions and disposals of property, plant and equipment for the three months ended 30 November 2020.

Capital commitments as at 30 November 2020: -

	RM'000
Approved and contracted for	<u>141</u>

A 10 Material events subsequent to first financial quarter

Other than the declaration of the first interim and special, single tier dividend, totalling 11 sen per stock unit which will be paid 5 February 2021, there were no material events subsequent to the first financial quarter that have not been reflected in the financial statements for the financial quarter ended 30 November 2020.

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 2020.

A 13 Related party disclosures

	Three months 30.11.2020 RM'000
(a) Companies in which certain directors and certain substantial shareholders have interest:	
Sale of oil palm produce	698
Marketing consultancy fee	<u>51</u>
(b) A joint venture in which certain directors and certain substantial shareholders have interest:	
Management fee	<u>643</u>
(c) Included in receivables are amounts due from:	
Companies in which certain directors and certain substantial shareholders have interest	<u>593</u>

Notes to the interim financial report - 30 November 2020

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 financial quarter under review compared with preceding financial year corresponding financial quarter.

Revenue in the current financial quarter under review improved by 36.61% to RM45,406,000 from RM33,237,000 a year ago mainly due to the significant increase in the average selling prices of ffb, CPO and PK.

Production and purchase of ffb increased. Correspondingly, the production of CPO and PK also increased.

The overall profit contributed from an associate and joint ventures were higher mainly due to lesser amount of losses incurred by the Group's investments in oil palm plantation in Indonesia even though there was a decrease in profit contributed by an associate engaged in property development.

Since previous financial years, the unrest in the surrounding villages located in the vicinity of the plantations in Lampung Province, Indonesia has caused the disruption in routine harvesting of ffb. The oil palm plantations have since commenced harvesting activities and mill operations. Total area accessed is approximately 53% of the total planted area.

However, as reported previously, harvesting of the mature fields in the oil palm plantation of the joint venture located in South Sumatera Province, Indonesia has been delayed due to the unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities.

Overall, profit net of tax improved by 101.91% to RM15,771,000 from RM7,811,000 mainly due to significant improvement in revenue.

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

	First financial quarter 30.11.2020 RM'000	Fourth financial quarter 31.8.2020 RM'000
Revenue	45,406	39,155
Cost of sales	(21,972)	(19,020)
Gross profit	<u>23,434</u>	<u>20,135</u>
Other items of income		
Interest income	2,236	2,048
Dividend income	433	2,144
Other income	540	2,314
Other items of expenses		
Selling expenses	(1,104)	(1,202)
Administrative expenses	(5,397)	(6,701)
Other expenses	(1,314)	(2,806)
Share of results of an associate and joint ventures	1,211	1,793
Profit before tax	<u>20,039</u>	<u>17,725</u>

Notes to the interim financial report - 30 November 2020

B 2 Material change in the profit before tax for the first financial quarter compared with the immediate preceding quarter (cont'd.)

Revenue in the first financial quarter under review improved by 15.96% to RM45,406,000 when compared with the immediate preceding financial quarter mainly due to significant improvement in the average selling prices of ffb, CPO and PK even though the sales volume were lower.

Production of ffb was lower. However, purchase of ffb was higher. Overall, the production of CPO and PK were lower.

The improvement in revenue has resulted in an increase in gross profit even though cost of sales increased, mainly due to increase in purchase of ffb.

Dividend income was substantially lower.

Other income decreased significantly mainly due to reversal in fair value adjustment of consumable biological assets from an amount of gain in the immediate preceding financial quarter to an amount of loss in the current financial quarter under review.

Other expenses decreased significantly because in the immediate preceding financial quarter, there was an amount of RM2,453,000 being impairment loss on a joint venture, which did not recur in the current financial quarter under review.

The overall profit contributed from an associate and joint ventures were lower mainly due to a decrease in profit contributed by an associate engaged in property development.

Overall, profit before tax increased by 13.06% to RM20,039,000 mainly due to reasons mentioned above.

B 3 Prospects for financial year ending 31 August 2021

The prevailing strong selling prices of CPO are expected to continue and this would have a favourable impact on the financial performance for the financial year ending 31 August 2021.

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

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

B 5 Income tax expense

	First financial quarter 30.11.2020 RM'000	Three months 30.11.2020 RM'000
Income tax:		
Current provision	4,242	4,242
Deferred income tax	26	26
	<u>4,268</u>	<u>4,268</u>

The effective tax rate for the first financial quarter and three months ended 30 November 2020 were lower than the statutory tax rate mainly due to the effects of share of results of an associate.

Notes to the interim financial report - 30 November 2020

B 6 Borrowings and debt securities

As at 30 November 2020, 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.

There were no further subscription of shares in Chin Thye Investment Pte Ltd during the first financial quarter under review.

As at 30 November 2020, the Company had subscribed 13,310,000 shares in Chin Thye Investment Pte Ltd for a total cash consideration of RM31,921,000.

	As at
	30.11.2020
	RM'000
Remaining capital and investment outlay	<u>18,479</u>

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the three months period ended 30 November 2020.

B 9 Material litigation

There were no material litigations as at 31 August 2020 and at the date of issue of this interim financial report.

B 10 Dividends

- (i) A first interim single tier dividend of 8 sen per stock unit and a special single tier dividend of 3 sen per stock unit in respect of the financial year ending 31 August 2021 were declared on 6 January 2021 and will be paid on 5 February 2021.
- (ii) The total dividends for the current financial year ending 31 August 2021:

<u>Type of dividend</u>	<u>sen per stock unit</u>
First interim, single tier	8.00
Special, single tier	<u>3.00</u>
	<u>11.00</u>

Notes to the interim financial report - 30 November 2020

B 10 Dividends (cont'd.)

(iii) The total dividends for the previous financial year ended 31 August 2020:

<u>Type of dividend</u>	<u>sen per stock unit</u>
First interim, single tier	8.00
Second interim, single tier	8.00
	<u>16.00</u>

B 11 Earnings per stock unit

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

	First financial quarter		Three months	
	30.11.2020	30.11.2019	30.11.2020	30.11.2019
Profit attributable to owners of the Company (RM'000)	<u>15,771</u>	<u>7,811</u>	<u>15,771</u>	<u>7,811</u>
Weighted average number of stock units ('000)	<u>91,363</u>	<u>91,363</u>	<u>91,363</u>	<u>91,363</u>
Earnings per stock unit (sen)				
Basic	17.26	8.55	17.26	8.55
Diluted	<u>17.26</u>	<u>8.55</u>	<u>17.26</u>	<u>8.55</u>

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

B 12 Notes to condensed statement of comprehensive income

	First financial quarter 30.11.2020 RM'000	Three months 30.11.2020 RM'000
Interest income	2,236	2,236
Other income including investment income	433	433
Interest expense	-	-
Amortisation and depreciation	(1,667)	(1,667)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(loss) on disposal of unquoted investments	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of investment in a joint venture	-	-
Net fair loss on investment securities (transfer of fair value adjustment reserve to profit or loss upon disposal)	(1)	(1)
Net fair value gain on investment securities (transfer of fair value adjustment reserve to retained profits upon disposal)	-	-
Foreign exchange loss	(544)	(544)
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 2020 was not qualified.