

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

Condensed consolidated statements of profit or loss
For the second financial quarter ended 28 February 2021

	Second financial quarter		Six months	
	28.2.2021	29.2.2020	28.2.2021	29.2.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	36,430	23,729	81,836	56,966
Cost of sales	(16,959)	(14,275)	(38,931)	(35,045)
Gross profit	<u>19,471</u>	<u>9,454</u>	<u>42,905</u>	<u>21,921</u>
Other items of income				
Interest income	787	2,282	3,023	4,537
Dividend income	60	103	493	434
Other income	1,486	1,163	1,133	1,089
Other items of expenses				
Selling expenses	(754)	(711)	(1,858)	(1,799)
Administrative expenses	(6,058)	(5,794)	(11,455)	(10,969)
Other expenses	-	(834)	(421)	(332)
Share of results of an associate and joint ventures	<u>1,509</u>	<u>(1,046)</u>	<u>2,720</u>	<u>(326)</u>
Profit before tax	<u>16,501</u>	<u>4,617</u>	<u>36,540</u>	<u>14,555</u>
Income tax expense	(3,262)	(1,347)	(7,530)	(3,474)
Profit net of tax	<u>13,239</u>	<u>3,270</u>	<u>29,010</u>	<u>11,081</u>
Earnings per stock unit attributable to owners of the Company (sen per stock unit)				
Basic	14.49	3.58	31.75	12.13
Diluted	<u>14.49</u>	<u>3.58</u>	<u>31.75</u>	<u>12.13</u>

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

Condensed consolidated statements of comprehensive income
For the second financial quarter ended 28 February 2021

	Second financial quarter		Six months	
	28.2.2021 RM'000	29.2.2020 RM'000	28.2.2021 RM'000	29.2.2020 RM'000
Profit net of tax	13,239	3,270	29,010	11,081
Other comprehensive (loss)/income:				
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	(443)	(186)	1,521	(1,010)
Net gain/(loss) on fair value changes of investment securities	93	(41)	193	(41)
- Transfer to profit or loss upon disposal	-	-	1	-
- Net gain/(loss) on fair value changes of of investment securities	93	(41)	192	(41)
Total other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(350)	(227)	1,714	(1,051)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:				
Net gain/(loss) on fair value changes of investment securities	1,890	(2,354)	7,238	945
Share of other comprehensive (loss)/income of joint ventures	(9)	157	(15)	164
Total other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	1,881	(2,197)	7,223	1,109
Total other comprehensive income/(loss)	1,531	(2,424)	8,937	58
Total comprehensive income	14,770	846	37,947	11,139

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

Condensed consolidated statements of financial position
As at 28 February 2021

	28.2.2021	31.8.2020
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	121,340	121,129
Investments in an associate and joint ventures	169,499	169,377
Investment securities	83,879	74,185
	<u>374,718</u>	<u>364,691</u>
Current assets		
Inventories	4,808	4,171
Consumable biological assets	7,179	6,993
Receivables	16,881	18,107
Income tax recoverable	3	-
Cash and bank balances	342,690	325,148
	<u>371,561</u>	<u>354,419</u>
Total assets	<u>746,279</u>	<u>719,110</u>
Current liabilities		
Payables	10,855	14,465
Income tax payable	3,698	1,157
	<u>14,553</u>	<u>15,622</u>
Non-current liabilities		
Deferred tax liabilities	<u>23,678</u>	<u>23,337</u>
Total liabilities	<u>38,231</u>	<u>38,959</u>
Equity attributable to owners of the Company		
Share capital	111,017	111,017
Other reserves	(2,671)	(11,608)
Retained profits	599,702	580,742
Total equity	<u>708,048</u>	<u>680,151</u>
Total equity and liabilities	<u>746,279</u>	<u>719,110</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>7.75</u>	<u>7.44</u>

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

Condensed consolidated statement of changes in equity
For the second financial quarter ended 28 February 2021

	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
As at 1 September 2019	672,622	111,017	7,420	554,185
Profit for the period	11,081	-	-	11,081
Other comprehensive income	58	-	58	-
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	(947)	947
<u>Transaction with owners</u>				
Dividend, representing total transaction with owners	(7,309)	-	-	(7,309)
As at 29 February 2020	676,452	111,017	6,531	558,904
As at 1 September 2020	680,151	111,017	(11,608)	580,742
Profit for the period	29,010	-	-	29,010
Other comprehensive income	8,937	-	8,937	-
<u>Transaction with owners</u>				
Dividend, representing total transaction with owners	(10,050)	-	-	(10,050)
As at 28 February 2021	708,048	111,017	(2,671)	599,702

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

Condensed consolidated statements of cash flows
For the second financial quarter ended 28 February 2021

	Six months	
	28.2.2021	29.2.2020
	RM'000	RM'000
Operating activities		
Profit before tax	36,540	14,555
Adjustments for:		
Amortisation of right-of-use assets	158	158
Depreciation for property, plant and equipment	3,189	3,020
Dividend income	(493)	(434)
Fair value gain on consumable biological assets	(186)	(573)
Interest income	(3,023)	(4,537)
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	(2,720)	326
Unrealised loss on foreign exchange	412	332
Total adjustments	<u>(2,654)</u>	<u>(1,708)</u>
Operating cash flows before changes in working capital	33,886	12,847
Changes in working capital		
(Increase)/decrease in inventories	(637)	3,261
Decrease in receivables	930	5,357
Increase in payables	(3,610)	(2,678)
Total changes in working capital	<u>(3,317)</u>	<u>5,940</u>
Cash flows from operations	30,569	18,787
Income taxes paid	(4,651)	(4,482)
Net cash flows generated from operating activities	25,918	14,305
Investing activities		
Changes in deposits with maturity of more than 3 months	8,685	12,173
Dividend received from:		
- an associate	4,104	4,104
- investment securities	46	343
Interest received	3,319	4,488
Proceeds from sale of investment securities	2,275	4,757
Purchase of:		
- investment securities	(4,092)	(7,323)
- property, plant and equipment	(3,566)	(3,197)
Net cash flows generated from investing activities	10,771	15,345
Financing activity		
Dividends paid to owners of the Company, representing net cash used in financing activity	(10,050)	(7,309)
Net increase in cash and cash equivalents	26,639	22,341
Effects of exchange rate changes on cash and cash equivalents	(412)	(332)
Cash and cash equivalents at 1 September 2020/2019	116,688	89,442
Cash and cash equivalents at 28/29 February	142,915	111,451
Cash and cash equivalents at 28/29 February comprise:		
Cash on hand and at banks	53,854	26,900
Deposits with financial institutions	288,836	274,369
	<u>342,690</u>	<u>301,269</u>
Less: deposits with maturity of more than 3 months	(199,775)	(189,818)
	<u>142,915</u>	<u>111,451</u>

Notes to the interim financial report - 28 February 2021

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 six months ended 28 February 2021:

	Hectares
Mature	10,197
Replanting and immature	766
	10,963

	Second financial quarter		Six months	
	28.2.2021	29.2.2020	28.2.2021	29.2.2020
Production ffb	Tonnes	Tonnes	Tonnes	Tonnes
Own estates	39,803	34,310	94,776	82,521
Purchase	7,382	5,418	20,313	17,569
	47,185	39,728	115,089	100,090
CPO	7,497	6,370	18,874	16,634
PK	1,762	1,516	4,534	3,906
Extraction rate				
CPO	19.13%	19.36%	19.61%	19.79%
PK	4.50%	4.61%	4.71%	4.65%

Notes to the interim financial report - 28 February 2021

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

	Second financial quarter		Six months	
	28.2.2021	29.2.2020	28.2.2021	29.2.2020
Average selling prices	RM per tonne	RM per tonne	RM per tonne	RM per tonne
ffb	817	595	714	510
CPO	3,510	2,637	3,121	2,340
PK	2,426	1,560	1,956	1,395

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 28 February 2021. 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 had 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 2021.

A 6 Fair value changes of financial liabilities

As at 28 February 2021, 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 2021:

In respect of financial year ending 31 August 2021:

A first interim single tier dividend of 8 sen per stock unit and a special single tier dividend of 3 sen per stock unit paid on 5 February 2021

10,050

Notes to the interim financial report - 28 February 2021

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:

	Second financial quarter		Six months	
	28.2.2021	29.2.2020	28.2.2021	29.2.2020
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	36,430	23,729	81,836	56,966
Revenue from major customers	34,997	19,412	56,174	39,466
Amortisation of right-of-use assets	79	79	158	158
Depreciation of property, plant and equipment	1,601	1,520	3,189	3,020
Reportable segment profit	<u>13,988</u>	<u>4,097</u>	<u>30,690</u>	<u>10,227</u>
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	13,988	4,097	30,690	10,227
Share of results of an associate and joint ventures	1,509	(1,046)	2,720	(326)
Interest income	787	2,282	3,023	4,537
Dividend income	60	103	493	434
Other income	157	15	27	15
Other expenses	-	(834)	(413)	(332)
Profit before tax	<u>16,501</u>	<u>4,617</u>	<u>36,540</u>	<u>14,555</u>
			As at	As at
			28.2.2021	31.8.2020
			RM'000	RM'000
Reportable segment assets			157,766	154,060
Reportable segment liabilities			<u>10,855</u>	<u>14,465</u>
Reportable segment assets are reconciled as follows:				
Total assets for reportable segment			157,766	154,060
Investments in an associate and joint ventures			169,499	169,377
Investment securities			83,879	74,185
Unallocated assets			<u>335,135</u>	<u>321,488</u>
Total assets			<u>746,279</u>	<u>719,110</u>
Reportable segment liabilities are reconciled as follows:				
Total liabilities for reportable segment			10,855	14,465
Income tax payable			3,698	1,157
Deferred tax liabilities			<u>23,678</u>	<u>23,337</u>
Total liabilities			<u>38,231</u>	<u>38,959</u>

Notes to the interim financial report - 28 February 2021

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 2021.

Capital commitments as at 28 February 2021: -

	RM'000
Approved and contracted for	<u>280</u>

A 10 Material events subsequent to second financial quarter

There were no material events subsequent to the second financial quarter that had not been reflected in the financial statements for the second quarter ended 28 February 2021.

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

	Six months 28.2.2021 RM'000
(a) Companies in which certain directors and certain substantial shareholders have interest:	
Sale of oil palm produce	942
Marketing consultancy fee	<u>103</u>
(b) A joint venture in which certain directors and certain substantial shareholders have interest:	
Management fee	<u>1,285</u>
(c) Included in receivables are amounts due from:	
A company and a joint venture in which certain directors and certain substantial shareholders have interest	<u>154</u>
(d) Included in payables is an amount due to:	
A joint venture in which certain directors and certain substantial shareholders have interest	<u>428</u>

Notes to the interim financial report - 28 February 2021

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 53.53% to RM36,430,000 from RM23,729,000 a year ago due to the significant increases in the average selling prices of ffb, CPO and PK. The sales volume of ffb, CPO and PK also increased.

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

Share of results of an associate and joint ventures reversed from an overall loss to an overall profit mainly due to a higher profit contributed by the associate engaged in property development and lesser amount of overall losses incurred by the Group's investments in oil palm plantation in Indonesia.

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 304.86% to RM13,239,000 from RM3,270,000 mainly due to significant improvement in revenue.

Current six months under review compared with preceding financial year corresponding cumulative period.

Revenue in the current six months under review improved by 43.66% to RM81,836,000 from RM56,966,000 a year ago due to the significant increases in the average selling prices of ffb, CPO and PK. The sales volume of ffb, CPO and PK also increased.

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

Share of results of an associate and joint ventures reversed from an overall loss to an overall profit mainly due to a higher profit contributed by the associate engaged in property development and lesser amount of overall losses incurred by the Group's investments in oil palm plantation in Indonesia.

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 161.80% to RM29,010,000 from RM11,081,000 mainly due to significant improvement in revenue.

Notes to the interim financial report - 28 February 2021

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

	Second financial quarter 28.2.2021 RM'000	First financial quarter 30.11.2020 RM'000
Revenue	36,430	45,406
Cost of sales	(16,959)	(21,972)
Gross profit	<u>19,471</u>	<u>23,434</u>
Other items of income		
Interest income	787	2,236
Dividend income	60	433
Other income	1,486	540
Other items of expenses		
Selling expenses	(754)	(1,104)
Administrative expenses	(6,058)	(5,397)
Other expenses	-	(1,314)
Share of results of an associate and joint ventures	1,509	1,211
Profit before tax	<u>16,501</u>	<u>20,039</u>

Revenue in the second financial quarter under review reduced by 19.77% to RM36,430,000 when compared with the immediate preceding financial quarter mainly due to decreases in the sales volume of ffb, CPO and PK even though the average selling prices increased.

Production and purchase of ffb were lower. Correspondingly, the production of CPO and PK were lower.

The reduction in revenue has resulted in a decrease in gross profit even though cost of sales decreased, mainly due to decreases in purchase of ffb and net changes in inventories.

Interest income was substantially lower.

Other income increased mainly due to gains on fair value changes of consumable biological assets and foreign currency translation compared with losses in the immediate preceding financial quarter.

The overall profit contributed from an associate and joint ventures was higher mainly due to higher profit contributed by the associate engaged in property development. Overall losses incurred by the Group's investments in oil palm plantation in Indonesia were slightly lesser. The joint venture engaged in the provision of management and advisory and insurance agency services incurred a loss compared with a profit in the preceding financial quarter.

Overall, profit before tax decreased by 17.66% to RM16,501,000 mainly due to reasons mentioned above.

B 3 Prospects for financial year ending 31 August 2021

The plantation profit for the financial year ending 31 August 2021 are expected to improve significantly due to the prevailing strong selling prices of CPO.

Notes to the interim financial report - 28 February 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

	Second financial quarter 28.2.2021 RM'000	Six months 28.2.2021 RM'000
Income tax:		
Current provision	2,947	7,189
Deferred income tax	315	341
	<u>3,262</u>	<u>7,530</u>

The effective tax rates for the second financial quarter and six months ended 28 February 2021 were lower than the statutory tax rate mainly due to the effects of share of results of an associate and joint ventures and certain income which were not assessed for tax purpose.

B 6 Borrowings and debt securities

As at 28 February 2021, 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 six months under review and since the end of the current financial quarter under review to the date of issue of this interim report.

As at 28 February 2021, 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 28.2.2021 RM'000
Remaining capital and investment outlay	<u>18,479</u>

Notes to the interim financial report - 28 February 2021

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the six months ended 28 February 2021.

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 paid on 5 February 2021.

(ii) No further interim dividend has been declared in respect of the second financial quarter and six months ended 28 February 2021.

(iii) 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	3.00
	<u>11.00</u>

(iv) 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:-

	Second financial quarter		Six months	
	28.2.2021	29.2.2020	28.2.2021	29.2.2020
Profit attributable to owners of the Company (RM'000)	<u>13,239</u>	<u>3,270</u>	<u>29,010</u>	<u>11,081</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	14.49	3.58	31.75	12.13
Diluted	<u>14.49</u>	<u>3.58</u>	<u>31.75</u>	<u>12.13</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.

Notes to the interim financial report - 28 February 2021

B 12 Notes to condensed statement of comprehensive income

	Second financial quarter 28.2.2021 RM'000	Six months 28.2.2021 RM'000
Interest income	787	3,023
Other income including investment income	60	493
Interest expense	-	-
Amortisation and depreciation	(1,680)	(3,347)
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)
Net fair value gain/(loss) on investment securities (transfer of fair value adjustment reserve to retained profits upon disposal)	-	-
Foreign exchange gain/(loss)	132	(412)
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.