

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

Condensed consolidated statements of profit or loss
For the first financial quarter ended 30 November 2022

	First financial quarter		Three months	
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	62,956	58,203	62,956	58,203
Cost of sales	(30,277)	(24,894)	(30,277)	(24,894)
Gross profit	32,679	33,309	32,679	33,309
Other items of income				
Interest income	2,007	1,403	2,007	1,403
Dividend income	842	440	842	440
Other income	1,282	2,085	1,282	2,085
Other items of expense				
Selling expenses	(1,171)	(903)	(1,171)	(903)
Administrative expenses	(5,980)	(5,340)	(5,980)	(5,340)
Other expenses	(1,831)	(330)	(1,831)	(330)
Share of results of an associate and joint ventures	3,464	3,988	3,464	3,988
Profit before tax	31,292	34,652	31,292	34,652
Income tax expense	(5,997)	(7,169)	(5,997)	(7,169)
Profit net of tax	25,295	27,483	25,295	27,483
Earnings per stock unit attributable to owners of the Company (sen per stock unit)				
Basic	27.69	30.08	27.69	30.08
Diluted	27.69	30.08	27.69	30.08

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

Condensed consolidated statements of comprehensive income
For the first financial quarter ended 30 November 2022

	First financial quarter		Three months	
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	<u>25,295</u>	<u>27,483</u>	<u>25,295</u>	<u>27,483</u>
Other comprehensive income/(loss):				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	530	191	530	191
Net loss on fair value changes of investment securities	(887)	(335)	(887)	(335)
- Transfer to profit or loss upon disposal	(38)	-	(38)	-
- Net loss on fair value changes of investment securities	(849)	(335)	(849)	(335)
Total other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(357)</u>	<u>(144)</u>	<u>(357)</u>	<u>(144)</u>
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	1,206	(103)	1,206	(103)
Share of other comprehensive income/(loss) of joint ventures	1	(4)	1	(4)
Total other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<u>1,207</u>	<u>(107)</u>	<u>1,207</u>	<u>(107)</u>
Total other comprehensive income/(loss)	<u>850</u>	<u>(251)</u>	<u>850</u>	<u>(251)</u>
Total comprehensive income	<u>26,145</u>	<u>27,232</u>	<u>26,145</u>	<u>27,232</u>

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

Condensed consolidated statements of financial position
As at 30 November 2022

	30.11.2022	31.8.2022
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	128,060	127,318
Investments in an associate and joint ventures	174,029	170,034
Investment securities	120,994	119,227
	<u>423,083</u>	<u>416,579</u>
Current assets		
Inventories	11,671	11,511
Consumable biological assets	7,592	9,412
Receivables	19,379	16,322
Income tax recoverable	5,763	1,919
Cash and bank balances	411,912	395,096
	<u>456,317</u>	<u>434,260</u>
Total assets	<u>879,400</u>	<u>850,839</u>
Current liabilities		
Payables	<u>18,422</u>	<u>16,846</u>
Non-current liabilities		
Deferred tax liabilities	<u>25,767</u>	<u>24,927</u>
Total liabilities	<u>44,189</u>	<u>41,773</u>
Equity attributable to owners of the Company		
Share capital	111,017	111,017
Other reserves	6,024	5,150
Retained profits	718,170	692,899
Total equity	<u>835,211</u>	<u>809,066</u>
Total equity and liabilities	<u>879,400</u>	<u>850,839</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>9.14</u>	<u>8.86</u>

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

Condensed consolidated statements of changes in equity
For the first financial quarter ended 30 November 2022

		Non-distributable		Distributable
	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Other reserves RM'000	Retained profits RM'000
As at 1 September 2021	730,745	111,017	(3,258)	622,986
Profit for the period	27,483	-	-	27,483
Other comprehensive loss	(251)	-	(251)	-
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	(311)	311
As at 30 November 2021	757,977	111,017	(3,820)	650,780
As at 1 September 2022	809,066	111,017	5,150	692,899
Profit for the period	25,295	-	-	25,295
Other comprehensive income	850	-	850	-
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	24	(24)
As at 30 November 2022	835,211	111,017	6,024	718,170

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

Condensed consolidated statements of cash flows
For the first financial quarter ended 30 November 2022

	Three months	
	30.11.2022	30.11.2021
	RM'000	RM'000
Operating activities		
Profit before tax	31,292	34,652
Adjustments for:		
Amortisation of right-of-use assets	79	79
Depreciation of property, plant and equipment	1,695	1,664
Dividend income	(842)	(440)
Fair value loss/(gain) on consumable biological assets	1,820	(910)
Interest income	(2,007)	(1,403)
Net fair value gain on investment securities (transfer to profit or loss upon disposal)	(38)	-
Property, plant and equipment written off	11	-
Share of results of an associate and joint ventures	(3,464)	(3,988)
Unrealised (gain)/loss on foreign exchange	(852)	330
Total adjustments	(3,598)	(4,668)
Operating cash flows before changes in working capital	27,694	29,984
Changes in working capital		
Increase in inventories	(160)	(63)
Decrease/(increase) in receivables	1,421	(1,529)
Increase/(decrease) in payables	1,576	(632)
Total changes in working capital	2,837	(2,224)
Cash flows from operations	30,531	27,760
Income taxes paid	(9,001)	(6,605)
Net cash flows generated from operating activities	21,530	21,155
Investing activities		
Changes in deposits with maturity of more than 3 months	24,378	(324)
Deposit for the acquisition of a subsidiary	(4,500)	-
Dividend received from:		
- an associate	-	4,104
- investment securities	815	386
Interest received	2,030	839
Proceeds from disposal of investment securities	1,408	752
Purchase of:		
- investment securities	(2,791)	-
- property, plant and equipment	(2,527)	(1,755)
Net cash flows generated from investing activities	18,813	4,002
Net increase in cash and cash equivalents	40,343	25,157
Effects of exchange rate changes on cash and cash equivalents	852	(330)
Cash and cash equivalents at 1 September 2022/2021	163,796	104,033
Cash and cash equivalents at 30 November	204,991	128,860
Cash and cash equivalents at 30 November comprise:		
Cash on hand and at banks	102,818	61,147
Deposits with financial institutions	309,094	320,941
	411,912	382,088
Less: deposits with maturity of more than 3 months	(206,921)	(253,228)
	204,991	128,860

Notes to the interim financial report - 30 November 2022

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 2022.

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 2022, except for the adoption of those standards and amendments to standards that are issued and effective for annual periods beginning on or after 1 January 2022. Adoption of those standards and amendments to standards did not have any effects on the financial performance or the financial position of the Group.

The Group has not adopted those standards and amendments to standards that have been issued but not yet effective. The directors expect that the adoption of those standards and amendments to standards 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 2022:

	Hectares			
Mature	9,264			
Replanting and immature	1,696			
	<u>10,960</u>			
	First financial quarter		Three months	
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
Production	Tonnes	Tonnes	Tonnes	Tonnes
ffb				
Own estates	62,623	46,662	62,623	46,662
Purchase	12,424	9,485	12,424	9,485
	<u>75,047</u>	<u>56,147</u>	<u>75,047</u>	<u>56,147</u>

Notes to the interim financial report - 30 November 2022

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

	First financial quarter		Three months	
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
CPO	11,944	9,541	11,944	9,541
PK	2,860	2,214	2,860	2,214
Extraction rate				
CPO	19.40%	19.78%	19.40%	19.78%
PK	4.65%	4.59%	4.65%	4.59%
Average selling prices	RM per tonne	RM per tonne	RM per tonne	RM per tonne
ffb	812	1,111	812	1,111
CPO	4,036	4,354	4,036	4,354
PK	2,366	3,243	2,366	3,243

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

There were no changes in estimates of amounts reported in prior interim periods that had a material effect in the current financial 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 2022.

A 6 Fair value changes of financial liabilities

As at 30 November 2022, 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 2022.

Notes to the interim financial report - 30 November 2022

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	
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	62,956	58,203	62,956	58,203
Revenue from major customers	58,409	47,705	58,409	47,705
Amortisation of right-of-use assets	79	79	79	79
Depreciation of property, plant and equipment	1,695	1,664	1,695	1,664
Reportable segment profit	24,088	29,150	24,088	29,150
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	24,088	29,150	24,088	29,150
Share of results of an associate and joint ventures	3,464	3,988	3,464	3,988
Interest income	2,007	1,403	2,007	1,403
Dividend income	842	440	842	440
Other income	891	1	891	1
Other expenses	-	(330)	-	(330)
Profit before tax	31,292	34,652	31,292	34,652
			As at	As at
			30.11.2022	31.8.2022
			RM'000	RM'000
Reportable segment assets			172,994	172,844
Reportable segment liabilities			18,422	16,846
Reportable segment assets are reconciled as follows:				
Total assets for reportable segment			172,994	172,844
Investments in an associate and joint ventures			174,029	170,034
Investment securities			120,994	119,227
Unallocated assets			411,383	388,734
Total assets			879,400	850,839
Reportable segment liabilities are reconciled as follows:				
Total liabilities for reportable segment			18,422	16,846
Deferred tax liabilities			25,767	24,927
Total liabilities			44,189	41,773

Notes to the interim financial report - 30 November 2022

A 9 Property, plant and equipment

There were no significant acquisitions and disposals of property, plant and equipment for the three months ended 30 November 2022.

Capital commitments as at 30 November 2022: -

	RM'000
Approved and contracted for	<u>4,875</u>

A 10 Material events subsequent to first financial quarter

There were no material events subsequent to the first financial quarter that had not been reflected in the financial statements for the first financial quarter ended 30 November 2022 other than the following:-

- (i) First interim and special, single tier dividend, totalling 10 sen per stock unit in respect of the financial year ending 31 August 2023 declared on 28 December 2022 which will be paid on 31 January 2023.
- (ii) The completion of proposed acquisition of 100% equity interest in Fauzi-Lim Plantation Sdn Bhd, as disclosed in Note B7(a).

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 in the current financial period.

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 2022.

A 13 Related party disclosures

	Three months 30.11.2022 RM'000
(a) A company in which certain directors and certain substantial shareholders have interest:	
Marketing consultancy fee	<u>55</u>
(b) A joint venture in which certain directors and certain substantial shareholders have interest:	
Management fee	<u>745</u>

Notes to the interim financial report - 30 November 2022

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 8.17% to RM62,956,000 from RM58,203,000 a year ago due to significant increases in the sales volume of ffb, CPO and PK even though the average selling prices decreased.

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

Cost of sales increased substantially due to increase in the plantation operating expenses, especially the rising cost of fertiliser.

Other income decreased because in the previous corresponding financial quarter there was an amount of fair value gain on consumable biological assets which did not recur. In current financial quarter, the Group incurred fair value loss on consumable biological assets which had been included in other expenses.

Overall profit in share of results of an associate and joint ventures decreased mainly due to lower profit contributed by the joint ventures engaged in oil palm plantation in Indonesia and the 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 53.61% 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 decreased by 7.96% to RM25,295,000 from RM27,483,000 mainly due to the reasons mentioned above.

Notes to the interim financial report - 30 November 2022

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

	First financial quarter 30.11.2022 RM'000	Fourth financial quarter 31.8.2022 RM'000
Revenue	62,956	63,651
Cost of sales	(30,277)	(28,410)
Gross profit	32,679	35,241
Other items of income		
Interest income	2,007	2,728
Dividend income	842	3,172
Other income	1,282	476
Other items of expense		
Selling expenses	(1,171)	(921)
Administrative expenses	(5,980)	(6,414)
Other expenses	(1,831)	(1,228)
Share of results of an associate and joint ventures	3,464	(619)
Profit before tax	31,292	32,435

Revenue in the first financial quarter under review decreased marginally by 1.09% to RM62,956,000 when compared with the immediate preceding financial quarter mainly due to decreases in the average selling prices of ffb, CPO and PK even though sales volume increased.

Cost of sales increased mainly due to increase in the plantation operating expenses.

Interest and dividend income were substantially lower.

Other income were higher mainly due to increase in gain on foreign exchange.

Share of results of an associate and joint ventures reversed from overall loss to overall profit mainly due to profit contributed by the joint ventures engaged in oil palm plantation in Indonesia opposed to loss incurred in the immediate preceding financial quarter and an increase in profit contributed by the 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 53.61% 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 before tax decreased by 3.52% to RM31,292,000 mainly due to reasons mentioned above.

Notes to the interim financial report - 30 November 2022

B 3 Prospects for financial year ending 31 August 2023

The financial performance for the financial year ending 31 August 2023 is expected to decline compared with the record profit of the previous financial year ended 31 August 2022 and in line with the drop in CPO and PK prices from the historical high levels.

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 30.11.2022 RM'000	Three months 30.11.2022 RM'000
Income tax:		
Current income tax	5,157	5,157
Deferred income tax	840	840
	<u>5,997</u>	<u>5,997</u>

The effective tax rate for the first financial quarter and three months ended 30 November 2022 was 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 assessable for income tax purposes.

B 6 Borrowings and debt securities

As at 30 November 2022, there were no borrowings and debt securities.

B 7 Status of corporate proposals

(a) Proposed acquisition of 100% equity interest in Fauzi-Lim Plantation Sdn Bhd

On 12 September 2022, VMAS Untung Sdn Bhd ("VU or "Purchaser"), a wholly owned subsidiary of Chin Teck Plantations Berhad ("CTP") entered into a conditional share sale agreement ("SSA") with MWE Holdings Sdn Bhd ("Vendor") for the proposed acquisition of 5,000,000 ordinary shares representing 100% equity interest in Fauzi-Lim Plantation Sdn Bhd ("FLP") ("Sale Shares") for a total cash consideration of RM45,000,000 ("Proposed Acquisition").

Upon completion of the Proposed Acquisition, FLP will be a wholly owned subsidiary of VU and an indirect subsidiary of CTP.

On 19 January 2023, the Board of CTP announced that the Proposed Acquisition had been completed.

Details of the Proposed Acquisition are provided in the Company's Announcements to Bursa Securities dated 12 September 2022, 15 September 2022, 12 December 2022, 20 December 2022 and 19 January 2023.

Notes to the interim financial report - 30 November 2022

B 7 Status of corporate proposals (cont'd.)

(b) Investment in joint venture - Chin Thye Investment Pte Ltd

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 and the period since the end of the current financial quarter under review to the date of issue of this interim financial report.

As at 30 November 2022, the Company had subscribed 14,310,000 shares in Chin Thye Investment Pte Ltd for a total cash consideration of RM35,069,000.

	As at 30.11.2022 RM'000
Remaining capital and investment outlay	<u>15,330</u>

B 8 Derivatives financial instruments

There were no derivatives financial instruments transacted during the three months period ended 30 November 2022.

B 9 Material litigation

There were no material litigations as at 31 August 2022 and at the date of issue of this interim financial report.

Notes to the interim financial report - 30 November 2022

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 2023 were declared on 28 December 2022 and will be paid on 31 January 2023.

- (ii) The total dividends for the current financial year ending 31 August 2023:

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

- (iii) The total dividends for the financial year ended 31 August 2022:

<u>Type of dividend</u>	<u>sen per stock unit</u>
First interim, single tier	8.00
Second interim, single tier	8.00
Special, single tier	26.00
	<u>42.00</u>

B 11 Earnings per stock unit

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

	First financial quarter		Three months	
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
Profit attributable to owners of the Company (RM'000)	25,295	27,483	25,295	27,483
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	27.69	30.08	27.69	30.08
Diluted	27.69	30.08	27.69	30.08

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 - 30 November 2022

B 12 Notes to condensed statement of comprehensive income

	First financial quarter 30.11.2022 RM'000	Three months 30.11.2022 RM'000
Interest income	2,007	2,007
Other income including investment income	842	842
Interest expense	-	-
Amortisation and depreciation	(1,774)	(1,774)
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 value gain on investment securities (transfer of fair value adjustment reserve to profit or loss upon disposal)	38	38
Net fair value loss on investment securities (transfer of fair value adjustment reserve to retained profits upon disposal)	(24)	(24)
Foreign exchange gain	852	852
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 2022 was not qualified.