

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 2023

	First financial quarter		Three months	
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	63,185	62,956	63,185	62,956
Cost of sales	(30,830)	(30,277)	(30,830)	(30,277)
Gross profit	32,355	32,679	32,355	32,679
Other items of income				
Interest income	2,954	2,007	2,954	2,007
Dividend income	530	842	530	842
Other income	2,083	1,282	2,083	1,282
Other items of expense				
Selling expenses	(1,329)	(1,171)	(1,329)	(1,171)
Administrative expenses	(7,865)	(5,980)	(7,865)	(5,980)
Other expenses	(1,180)	(1,831)	(1,180)	(1,831)
Finance costs	(195)	-	(195)	-
Share of results of an associate and joint ventures	14	3,464	14	3,464
Profit before tax	27,367	31,292	27,367	31,292
Income tax expense	(6,042)	(5,997)	(6,042)	(5,997)
Profit net of tax	21,325	25,295	21,325	25,295
Earnings per stock unit attributable to owners of the Company (sen per stock unit)				
Basic	23.34	27.69	23.34	27.69
Diluted	23.34	27.69	23.34	27.69

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

Condensed consolidated statements of comprehensive income
For the first financial quarter ended 30 November 2023

	First financial quarter		Three months	
	30.11.2023 RM'000	30.11.2022 RM'000	30.11.2023 RM'000	30.11.2022 RM'000
Profit net of tax	21,325	25,295	21,325	25,295
Other comprehensive income/(loss):				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	1,457	530	1,457	530
Net loss on fair value changes of investment securities	(474)	(887)	(474)	(887)
- Transfer to profit or loss upon disposal	(276)	(38)	(276)	(38)
- Net loss on fair value changes of investment securities	(198)	(849)	(198)	(849)
Total other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	983	(357)	983	(357)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
Net gain on fair value changes of investment securities	872	1,206	872	1,206
Share of other comprehensive income of an associate and joint ventures	-	1	-	1
Total other comprehensive income that will not be reclassified to profit or loss in subsequent periods	872	1,207	872	1,207
Total other comprehensive income	1,855	850	1,855	850
Total comprehensive income	23,180	26,145	23,180	26,145

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

Condensed consolidated statements of financial position
As at 30 November 2023

	30.11.2023	31.8.2023
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	190,396	188,236
Investments in an associate and joint ventures	165,895	164,424
Investment securities	132,870	138,045
	<u>489,161</u>	<u>490,705</u>
Current assets		
Inventories	7,735	8,211
Consumable biological assets	8,056	8,911
Receivables	15,627	10,611
Income tax recoverable	8,064	10,448
Cash and bank balances	408,448	382,444
	<u>447,930</u>	<u>420,625</u>
Total assets	<u>937,091</u>	<u>911,330</u>
Current liabilities		
Payables	17,603	15,381
Lease liabilities	414	419
	<u>18,017</u>	<u>15,800</u>
Non-current liabilities		
Lease liabilities	10,821	10,634
Deferred tax liabilities	26,260	26,083
	<u>37,081</u>	<u>36,717</u>
Total liabilities	<u>55,098</u>	<u>52,517</u>
Equity attributable to owners of the Company		
Share capital	111,017	111,017
Other reserves	17,315	18,178
Retained profits	753,661	729,618
Total equity	<u>881,993</u>	<u>858,813</u>
Total equity and liabilities	<u>937,091</u>	<u>911,330</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>9.65</u>	<u>9.40</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 2023

	Equity attributable to owners of the Company, total RM'000	Non-distributable		Distributable
		Share capital RM'000	Other reserves RM'000	Retained profits RM'000
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
As at 1 September 2023	858,813	111,017	18,178	729,618
Profit for the period	21,325	-	-	21,325
Other comprehensive income	1,855	-	1,855	-
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	-	-	(2,718)	2,718
As at 30 November 2023	881,993	111,017	17,315	753,661

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

Condensed consolidated statements of cash flows
For the first financial quarter ended 30 November 2023

	Three months	
	30.11.2023	30.11.2022
	RM'000	RM'000
Operating activities		
Profit before tax	27,367	31,292
Adjustments for:		
Depreciation of right-of-use assets	394	79
Depreciation of property, plant and equipment	1,924	1,695
Dividend income	(530)	(842)
Fair value loss on consumable biological assets	855	1,820
Finance costs	195	-
Interest income	(2,954)	(2,007)
Net fair value gain on investment securities (transfer to profit or loss upon disposal)	(276)	(38)
Property, plant and equipment written off	316	11
Share of results of an associate and joint ventures	(14)	(3,464)
Realised gain on foreign exchange	(30)	-
Unrealised gain on foreign exchange	(1,652)	(852)
Total adjustments	(1,772)	(3,598)
Operating cash flows before changes in working capital	25,595	27,694
Changes in working capital		
Decrease/(increase) in inventories	476	(160)
(Increase)/decrease in receivables	(4,321)	1,421
Increase in payables	2,222	1,576
Total changes in working capital	(1,623)	2,837
Cash flows from operations	23,972	30,531
Income taxes paid	(3,481)	(9,001)
Net cash flows generated from operating activities	20,491	21,530
Investing activities		
Changes in deposits with maturity of more than 3 months	18,440	24,378
Deposit for the acquisition of a subsidiary	-	(4,500)
Dividend received from:		
- investment securities	530	815
Interest received	2,253	2,030
Proceeds from disposal of:		
- investment securities	8,729	1,408
Purchase of:		
- investment securities	(2,581)	(2,791)
- property, plant and equipment	(4,794)	(2,527)
Net cash flows generated from investing activities	22,577	18,813

Chin Teck Plantations Berhad 195801000113 (3250-V)
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Condensed consolidated statements of cash flows
For the first financial quarter ended 30 November 2023 (cont'd.)

	Three months	
	30.11.2023	30.11.2022
	RM'000	RM'000
Financing activity		
Repayment of lease liabilities, representing net cash flows used in financing activity	(8)	-
Net increase in cash and cash equivalents	43,060	40,343
Effects of exchange rate changes on cash and cash equivalents	1,383	852
Cash and cash equivalents at 1 September 2023/2022	151,145	163,796
Cash and cash equivalents at 30 November	<u>195,588</u>	<u>204,991</u>
Cash and cash equivalents at 30 November comprise:		
Cash on hand and at banks	66,344	102,818
Deposits with financial institutions	342,104	309,094
	<u>408,448</u>	<u>411,912</u>
Less: deposits with maturity of more than 3 months	(212,860)	(206,921)
	<u>195,588</u>	<u>204,991</u>

Notes to the interim financial report - 30 November 2023

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 2023.

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 2023, 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 2023. 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 2023:

	Hectares	Acres
Mature	10,984	27,142
Replanting and immature	1,695	4,188
	<u>12,679</u>	<u>31,330</u>

	First financial quarter		Three months	
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
	Tonnes	Tonnes	Tonnes	Tonnes
Production ffb				
Own estates	64,493	62,623	64,493	62,623
Purchase	13,806	12,424	13,806	12,424
	<u>78,299</u>	<u>75,047</u>	<u>78,299</u>	<u>75,047</u>

Notes to the interim financial report - 30 November 2023

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

	First financial quarter		Three months	
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
Production	Tonnes	Tonnes	Tonnes	Tonnes
CPO	12,163	11,944	12,163	11,944
PK	3,036	2,860	3,036	2,860
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Extraction rate				
CPO	19.50%	19.40%	19.50%	19.40%
PK	4.87%	4.65%	4.87%	4.65%
<hr/>				
Average selling prices	RM per tonne	RM per tonne	RM per tonne	RM per tonne
ffb	767	812	767	812
CPO	3,765	4,036	3,765	4,036
PK	2,061	2,366	2,061	2,366
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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 2023.

A 6 Fair value changes of financial liabilities

As at 30 November 2023, 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 2023.

Notes to the interim financial report - 30 November 2023

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	
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	63,185	62,956	63,185	62,956
Revenue from major customers	39,349	58,409	39,349	58,409
Depreciation of right-of-use assets	394	79	394	79
Depreciation of property, plant and equipment	1,924	1,695	1,924	1,695
Reportable segment profit	<u>21,911</u>	<u>24,088</u>	<u>21,911</u>	<u>24,088</u>
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	21,911	24,088	21,911	24,088
Share of results of an associate and joint ventures	14	3,464	14	3,464
Interest income	2,954	2,007	2,954	2,007
Dividend income	530	842	530	842
Other income	1,958	891	1,958	891
Profit before tax	<u>27,367</u>	<u>31,292</u>	<u>27,367</u>	<u>31,292</u>

	As at 30.11.2023	As at 31.8.2023
	RM'000	RM'000
Reportable segment assets	231,428	223,908
Reportable segment liabilities	<u>28,838</u>	<u>26,434</u>

Reportable segment assets are reconciled as follows:

Total assets for reportable segment	231,428	223,908
Investments in an associate and joint ventures	165,895	164,424
Investment securities	132,870	138,045
Unallocated assets	406,898	384,953
Total assets	<u>937,091</u>	<u>911,330</u>

Reportable segment liabilities are reconciled as follows:

Total liabilities for reportable segment	28,838	26,434
Deferred tax liabilities	26,260	26,083
Total liabilities	<u>55,098</u>	<u>52,517</u>

Notes to the interim financial report - 30 November 2023

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 2023.

Capital commitments as at 30 November 2023: -

	RM'000
Approved and contracted for	<u>6,881</u>

A 10 Material events subsequent to first financial quarter

Other than the first interim and special single tier dividends totalling 12 sen per stock unit in respect of the financial year ending 31 August 2024 declared on 3 January 2024 which will be paid on 31 January 2024, 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 2023.

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 2023.

A 13 Related party disclosures

	Three months 30.11.2023 RM'000
(a) A company in which certain directors and certain substantial shareholders have interest:	
Sale of oil palm produce	5
Marketing consultancy fee	<u>58</u>
(b) A joint venture in which certain directors and certain substantial shareholders have interest:	
Management fee	<u>964</u>

Notes to the interim financial report - 30 November 2023

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 ("Q1 FY2024") compared with preceding financial year corresponding financial quarter ("Q1 FY2023").

Revenue in Q1 FY2024 increased marginally by 0.36% to RM63,185,000 from RM62,956,000 in Q1 FY2023 due to increases in the sales volume of ffb, CPO and PK even though the average selling prices were lower.

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

Interest income was substantially higher.

Other income increased mainly due to higher gain on foreign currency translation in Q1 FY2024.

Other expenses decreased mainly due to lower fair value loss on consumable biological assets in Q1 FY2024.

Overall profit in share of results of an associate and joint ventures decreased mainly due to lower profit contributed by the associate engaged in property development and loss incurred by the joint ventures engaged in oil palm plantation in Indonesia in Q1 FY2024 as opposed to an overall profit contributed in Q1 FY2023.

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 15.69% to RM21,325,000 from RM25,295,000 mainly due to the reasons mentioned above.

Notes to the interim financial report - 30 November 2023

B 2 Material change in the profit before tax for the first financial quarter ("Q1 FY2024") compared with the immediate preceding quarter ("Q4 FY2023")

	First financial quarter 30.11.2023 RM'000	Fourth financial quarter 31.08.2023 RM'000
Revenue	63,185	49,542
Cost of sales	(30,830)	(27,776)
Gross profit	<u>32,355</u>	<u>21,766</u>
Other items of income		
Interest income	2,954	2,614
Dividend income	530	3,344
Other income	2,083	6,906
Other items of expense		
Selling expenses	(1,329)	(972)
Administrative expenses	(7,865)	(7,544)
Other expenses	(1,180)	-
Finance costs	(195)	(192)
Share of results of an associate and joint ventures	14	(6,374)
Profit before tax	<u>27,367</u>	<u>19,548</u>

Revenue in Q1 FY2024 increased by 27.54% to RM63,185,000 when compared with Q4 FY2023 mainly due to increases in the sales volume of ffb, CPO and PK. The average selling prices of ffb and CPO were lower, however the average selling price of PK was higher.

Dividend income was significantly lower.

Other income decreased mainly due to the absence of fair value gain on consumable biological assets in Q1 FY2024. The Group incurred fair value loss on consumable biological assets in Q1 FY2024, the amount of which was included in other expenses.

Share of results of an associate and joint ventures reversed from an overall loss to an overall profit mainly due to profit contributed by the associate engaged in property development opposed to loss incurred in Q4 FY2023 and lower amount of loss incurred by the joint ventures engaged 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 53.61% 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 increased by 40% to RM27,367,000 mainly due to reasons mentioned above.

Notes to the interim financial report - 30 November 2023

B 3 Prospects for financial year ending 31 August 2024

The current trend in average selling prices of CPO are expected to remain. The Group expects satisfactory plantation results for the financial year ending 31 August 2024.

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 30.11.2023 RM'000	Three months 30.11.2023 RM'000
Income tax:		
Current income tax	5,865	5,865
Deferred income tax	177	177
	<u>6,042</u>	<u>6,042</u>

The effective tax rate for the first financial quarter and three months ended 30 November 2023 was lower than the statutory tax rate mainly due to certain income which were not assessable for income tax purposes.

B 6 Borrowings and debt securities

As at 30 November 2023, 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.

Notes to the interim financial report - 30 November 2023

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

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 2023, 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 30.11.2023 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 ended 30 November 2023.

B 9 Material litigation

There were no material litigations as at 31 August 2023 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 4 sen per stock unit in respect of the financial year ending 31 August 2024 were declared on 3 January 2024 and will be paid on 31 January 2024.

(ii) The total dividends for the current financial year ending 31 August 2024:

<u>Type of dividend</u>	<u>sen per stock unit</u>
First interim, single tier	8.00
Special, single tier	4.00
	<u>12.00</u>

(iii) The total dividends for the financial year ended 31 August 2023:

<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	4.00
	<u>20.00</u>

Notes to the interim financial report - 30 November 2023

B 11 Earnings per stock unit

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

	First financial quarter		Three months	
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
Profit attributable to owners of the Company (RM'000)	21,325	25,295	21,325	25,295
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	23.34	27.69	23.34	27.69
Diluted	23.34	27.69	23.34	27.69

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 30.11.2023 RM'000	Three months 30.11.2023 RM'000
Interest income	2,954	2,954
Other income including investment income	530	530
Interest expense	(195)	(195)
Amortisation and depreciation	(2,318)	(2,318)
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)	276	276
Net fair value gain on investment securities (transfer of fair value adjustment reserve to retained profits upon disposal)	2,718	2,718
Foreign exchange gain	1,682	1,682
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 2023 was not qualified.